

BEGROTINGSVERWANTE VERORDENINGE EN BELEIDE
BUDGET RELATED BY-LAWS AND POLICIES
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SWARTLAND MUNISIPALITEIT

TARIEFBELEID

**HERSIEN EN GEWYSIG
MEI 2017**

Ingevolge artikel 74 van die Plaaslike Regering: Wet op Munisipale Stelsels, 2000 (Wet 32 van 2000) aanvaar Swartland munisipaliteit die volgende Tariefbeleid –

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1. Oogmerke van die beleid

Die oogmerke van hierdie beleid is –

- (a) om aan die bepalings van artikel 74 van die Wet te voldoen; en
- (b) om leiding te gee aan die raadslid wat verantwoordelik is vir finansies, aangaande tariefvoorstelle wat aan die raad gedurende die jaarlikse begroting gedoen moet word.

2. Tariefbeginsels

Die volgende beginsels sal toegepas word –

- (a) beperkte gratis dienste aan verbruikers en finansiële bystand aan hulpbehoewende huishoudings sal oorweeg word, slegs in sover dit gefinansier kan word uit –
 - (i) finansiële toekennings deur die Nasionale Regering aan die munisipaliteit vir dié doel; en
 - (ii) 'n bewilliging vir dié doel deur die munisipaliteit wat jaarliks tydens die begrotingsproses bepaal sal word.
- (b) alle verbruikers van munisipale dienste sal billik behandel word. Die verskillende kategorieë van verbruikers moet billike tariewe betaal wat op dieselfde kostestruktuur gebaseer is;
- (c) die bedrag wat verbruikers betaal moet in verhouding met hul gebruik van daardie dienste wees;
- (d) geïdentifiseerde hulpbehoewende huishoudings moet minstens tot basiese dienste toegang hê deur lewenslyntariewe of direkte subsidies;
- (e) tariewe moet die totale koste van die diens weerspieël, tensy anders aangedui in hierdie beleidsdokument;

- (f) waar in hierdie beleid uitdruklik aldus bepaal, sal 'n verbruiker die keuse hê om 'n tarief uit 'n aantal toepaslike tariewe te kies;
- (g) tariewe moet vasgestel word teen vlakke wat die finansiële volhoubaarheid van die diens ondersteun. Volhoubaarheid kan bereik word deur toe te sien dat –
 - (i) kontant invloei die kontant uitvloei dek, wat beteken dat voldoende voorsiening vir bedryfskapitaal en slegte skuld gemaak moet word; en
 - (ii) toegang tot die kapitaalmark moet gehandhaaf word deur voorsiening vir die terugbetaling van lenings te maak, likiditeitsvlakke te handhaaf en winste op handelsdienste te maak.
- (h) voorsiening moet in gepaste omstandighede vir 'n toeslag op 'n tarief vir 'n diens gemaak word, wat sal nodig wees gedurende 'n nasionale ramp en in tydperke van droogte wanneer beperkinge op gebruik nodig is;
- (i) doeltreffende en effektiewe gebruik van hulpbronne sal aangemoedig word deur boetes om buitensporige gebruik te beperk in te stel;
- (j) die mate van subsidiëring van tariewe sal openbaar gemaak word;
- (k) tariewe is deurgaans BTW uitgesluit, dus is BTW addisioneel tot hierdie tariewe waar van toepassing.

3. Kategorieë van verbruikers

- (1) Afsonderlike tariewe kan vir die volgende kategorieë van verbruikers ingestel word –
 - (a) huishoudelike verbruikers;
 - (b) handelsverbruikers;
 - (c) nywerheidsverbruikers;
 - (d) landbouverbruikers;
 - (e) munisipaliteite;
 - (f) verbruikers met wie spesiale ooreenkomste aangegaan is;
 - (g) verbruikers in bepaalde geografiese gebiede;
 - (h) sport- en ontspanningsfasiliteite;
 - (i) opvoedkundige en gemeenskapsinrigtings;
 - (j) liefdadigheids- en welsynsinrigtings en organisasies; en
 - (k) Staat.
- (2) Die munisipaliteit mag onderskei tussen verskillende kategorieë verbruikers, debiteure, diensverskaffers, dienste, diensstandaarde en ander sake.
- (3) Onderskeiding moet gebaseer word op een of meer van die volgende elemente –
 - (a) infrastruktuur koste;
 - (b) volume verbruik; of
 - (c) beskikbaarheid en diensstandaarde.

4. Klassifikasie van dienste

Die munisipaliteit mag, onderworpe aan die riglyne van die Nasionale Tesourie en die Uitvoerende Burgemeester voorsiening maak vir die volgende klassifikasie van dienste:

- (a) **handelsdienste**
 - (i) water
 - (ii) elektrisiteit
 - (iii) kampeergeriewe
- (b) **ekonomiese dienste**
 - (i) vullisverwydering
 - (ii) sanitasie afvoer
- (c) **gemeenskapsdienste**
 - (i) lugbesoedeling.
 - (ii) brandweerdienste.
 - (iii) plaaslike toerisme.
 - (iv) stadsbeplanning.
 - (v) munisipale openbare werke
 - (vi) stormwaterbestuurstelsels in beboude gebiede
 - (vii) handelsregulasies.
 - (viii) reklameborde en die vertoon van advertensies op openbare plekke
 - (ix) begraafplase
 - (x) beheer oor openbare steurnisse
 - (xi) beheer oor ondernemings wat drank aan die publiek verkoop
 - (xii) fasiliteite vir die akkommodasie, omsien na en begrawing van diere
 - (xiii) omheining en heinings
 - (xiv) lisensiëring en beheer van ondernemings wat voedsel aan die publiek verkoop
 - (xv) plaaslike geriewe
 - (xvi) plaaslike sportgeriewe
 - (xvii) munisipale parke en ontspanning
 - (xviii) munisipale paaie
 - (xix) geraasbesoedeling
 - (xx) skutte
 - (xxi) openbare plekke
 - (xxii) straathandel/straatbeligting
 - (xxiii) verkeerbeheer en parkering

- (xxv) boubesheer
- (xxvi) lisensiëring van voertuie en voertuigbestuurspermitte
- (xxvii) natuurreserve

5. Uitgawe klassifikasie

Uitgawes sal in die volgende kategorieë geklassifiseer word:

- (a) Subjektiewe klassifikasie wat insluit –
 - (i) salarisse, lone en toelaes
 - (ii) grootmaat aankope
 - (iii) algemene uitgawes
 - (iv) herstelwerk en onderhoud
 - (v) kapitaalontkoste (rente en delging) / waardevermindering
 - (vi) bydrae tot vaste bates;
 - (vii) bydrae tot fondse –
 - (aa) slegte skuld;
 - (bb) bedryfskapitaal; en
 - (cc) statutêre fondse
 - (viii) bydrae tot reserwes
 - (ix) bruto uitgawes
 - (x) uit-debitering
 - (xi) netto uitgawes
 - (xii) inkomste; en
 - (xiii) surplus/tekort

Die klassifikasie van uitgawes, elk met 'n unieke posnommer, sal op alle kosteenhede toegepas word.

- (b) Objektiewe klassifikasie in terme waarvan die volgende kosteenhede geskep word waarheen die koste verbonde aan die verskaffing van 'n diens toegedeel kan word-
 - (i) departement
 - (ii) afdeling/diens
 - (iii) onderafdeling/diens

6. Koste elemente

Die volgende koste elemente mag gebruik word om tariewe vir die verskillende dienste te bereken –

- (a) vaste koste wat bestaan uit die kapitaalontkoste (rente en delging) op eksterne lenings sowel as interne voorskotte of waardevermindering wat ook al van toepassing is op die diens of enige ander koste van 'n permanente aard soos deur die munisipaliteit bepaal.
- (b) veranderlike koste wat insluit alle veranderlike koste in verband met die lewering van die diens;

- (c) totale koste wat bestaan uit die vaste koste plus veranderlike koste;
- (d) 'n kosteverhalende tarief; of
- (e) 'n kombinasie van enige van bogenoemde tariewe.

7. Tarief tipes

In die vasstelling van 'n toepaslike tarief vir 'n diens, sal die munisipaliteit gebruik maak van die volgende vyf moontlikhede of 'n kombinasie daarvan –

- (a) 'n enkeltarief wat sal bestaan uit 'n koste per eenheid verbruik en wat verhaal word deur eenheidspryse op die vlak waar kostes en inkomste gelykbreek. Onderhewig aan 'n aanbeveling van die Direkteur: Finansiële Dienste kan die munisipaliteit besluit om winste op bepaalde dienste te maak, wat by die koste van die diens gevoeg word vir die doeleindes van die berekening van die tarief.
- (b) koste verbandhoudend twee-tot-driedeel tarief wat sal bestaan uit twee tot drie dele –
 - (i) bestuur-, kapitaal-, onderhoud- en lopende koste mag saam gegroepeer en verhaal word deur 'n vaste tarief, onafhanklik van verbruik vir alle klasse van verbruikers;
 - (ii) veranderlike koste kan verhaal word deur 'n eenheidstarief per eenheid verbruik; en
 - (iii) die drie-deel tariewe sal slegs gebruik word om tariewe vir elektrisiteit te bereken en om voorsiening te maak vir maksimum aanvraag en verbruik tydens periodes van beperkte aanvraag.
- (c) toenemende bloktarief gebaseer op verbruiksvlakke wat gekategoriseer word in blokke, met tariewe wat vermeerder soos wat die verbruik vermeerder. Die eerste trap sal bereken word by die gelykbreekpunt en opeenvolgende trappe sal bereken word om 'n resultaat te lewer wat oormatige gebruik van die kommoditeit sal ontmoedig.
- (d) afnemende bloktarief wat die teenoorgestelde is van die toenemende bloktarief en neem af soos wat verbruik toeneem. Die eerste trap sal bereken word deur die vaste en veranderlike koste en wins deur die totale volume gebruik te deel en sal slegs gebruik word tydens spesiale ooreenkomste;
- (e) 'n kosteverhalende tarief;
- (f) 'n regulerende tarief wat slegs regulerend van aard is en die munisipaliteit mag die volle of slegs 'n gedeelte van die kostes verbonde aan die lewering van die diens verhaal.

8. Tariefstruktuur en metodes van berekening

Die volgende tariefstruktuur sal gebruik word om tariewe te bepaal –

(1) Water

(a) Tariefstruktuur-

- (i) vaste tarief per verbruiker plus 'n enkel tarief per eenheid verbruik (kiloliters verbruik);
- (ii) enkeltarief per verbruiker; of
- (iii) kosteverhalende tarief.

(b) Metode van berekening-

- (i) die vaste koste van die diens sal bestaan uit die kostes wat as sulks deur die munisipaliteit aangewys word;
- (ii) die aantal verbruikers sal gebruik word om die vaste komponent van die tarief per verbruiker te bereken;
- (iii) waar 'n vaste koste per verbruiker verhaal word sal die eenheidstarief bereken word deur die veranderlike koste deur die volume verbruik te deel;
- (iv) waar die raad nie 'n vaste koste per verbruiker verhaal nie sal die eenheidstarief bereken word deur die totale koste deur die volume verbruik te deel;
- (v) waar verbruik nie gemeet is nie of nie gemeet kan word nie, sal die munisipaliteit geregtig daarop wees om die koste te bepaal bereken volgens die laaste 3 maande se gemiddelde verbruik voor die datum waarop die meter die laaste keer gelees is;
- (vi) waar 'n eiendom nie by die waternetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word, sal beskikbaarheidsgelde betaalbaar wees gelyk aan 'n eenheidstarief per kiloliter soos jaarliks deur die Raad bepaal;
- (vii) wins op die lewering van die diens gemaak sal by die vaste en veranderlike koste of kosteverhalende tarief getel word voordat tariewe bereken word.

(2) Elektrisiteit

(a) Tariefstruktuur –

- (i) kWh – Aktiewe Energie;
- (ii) kVA – Maksimum aanvraag (termies of blok) geregistreer oor 'n halfuur;
- (iii) kVA_{rh} – Reaktiewe Energie;
- (iv) piek, standaard en afpiek tydperke – volgens grootmaat aankoop tariefstruktuur;
- (v) hoë en lae verbruik seisoene – volgens grootmaat aankoop tariefstruktuur;

- (vi) toedeling van vakansiedae – volgens grootmaat aankoop tariefstruktuur.

(b) Metode van berekening –

- (i) die riglyne en beleid wat deur die Nasionale Elektrisiteitsreguleerder uitgereik word, sal die basis vorm waarvolgens tariewe bereken word;
- (ii) gebaseer op die lasfaktor van die kategorieë en die verbruikers binne die verskillende kategorieë sal kruissubsidiëring tussen en binne kategorieë van verbruikers toegelaat word;
- (iii) gedeeltes van die vaste koste sal deur die energie en tyd-van-gebruik kostes verhaal word;
- (iv) om bostaande beginsel toe te pas sal die kostetoedelingsbasis, kostegroepering, tariefkomponente en tarieftipes wat in die volgende tabel gereflekteer word, gebruik word-

Tarief tipe	Vaste Koste Rand/ Verbruiker/ Maand	Aktiewe Energie tariewe Sent/ kWh	Seisoen gebonde Tyd van Gebruik Energie tariewe Piek Standaard Afpiek	Kapasiteits-tarief Rand/ kVA/ maand	Reaktiewe energie tarief Sent/ kWh
Een deel		X			
Een deel Blok 1		X			
Blok Blok 2		X			
Twee deel	X	X			
Twee deel Blok	X				
Blok 1		X			X
Blok 2		X			X
Blok 3		X			X
Blok 4		X			X
Drie deel	X	X		X	
Drie deel tyd van gebruik	X				X
Piek			X		
Hoë seisoen Standaard			X		
Afpiek			X		
Piek			X		

Lae seisoen Standaard Afpiek			X X		
Vier deel tyd van gebruik	X			X	X
Piek			X		
Hoë seisoen Standaard Afpiek			X X		
Piek			X		
Lae seisoen Standaard Afpiek			X X		
Drie deel Netto Meter Invoer Uitvoer	X	X X			

(aa) Die een-deel enkel energietarief –

Alle kostes wat aan 'n verbruikers kategorie toegedeel word, wat normaalweg van 'n een-deel enkel energietarief gebruik maak, word in 'n sent/kWh tarief uitgedruk en soos volg bereken –

- die maksimum aanvraagkoste (rand/kVA/maand) van alle verbruikers wat normaalweg van enkeltariewe gebruik maak word bereken deur die gemiddelde lasfaktor van die tipe verbruikers in aanmerking te neem en word by die veranderlike kostes getel;
- die vaste koste (rand/verbruiker/maand) en energiekoste (kWh) word ook by die veranderlike koste getel;
- die totale koste (aanvraag, vaste en aankoopkoste) wat aan een-deel enkel energietarief verbruikers toegedeel word, moet verhaal word by 'n gelykbreekpunt wat vergelykbaar is met die aantal kWh eenhede soos vasgestel deur Eskom;
- die totale koste sal uitgedruk word in 'n sent/kWh tarief.

(bb) Die twee-deel tarief –

- 'n gedeelte van die vaste koste wat gelykstaande is aan die bedryfs- en administratiewe kostes van die Elektrisiteitsdepartement word verhaal deur 'n rand/verbruiker/maand heffing;

- die oorblywende gedeelte van die vaste koste word by die veranderlike koste getel en deur middel van 'n eenheidstarief (sent/kWh heffing) verhaal;
 - die tarief sal gevolglik bestaan uit 'n vaste maandelikse heffing plus 'n veranderlike heffing wat verband hou met die gemeterde kWh verbruik.
- (cc) Die drie-deel tarief
- 'n gedeelte van die vaste koste soos beskryf in sub paragraaf (2)(bb)(i) word deur middel van 'n rand/verbruiker/maand heffing verhaal;
 - die oorblywende gedeelte van die vaste koste word deur middel van die eenheidstarief (sent/kWh heffing) en maksimum aanvraag heffing (rand/kVA/maand) verhaal;
 - die maksimum aanvraagkoste (rand/ kVA koste) word deur die kapasiteitstarief verhaal waar van toepassing;
 - die sent/kWh heffing verhaal die volle veranderlike kostes en gedeeltes van die hertoegewysde vaste en aanvraagkoste (rand/verbruiker/maand en rand/kVA kostes) waar van toepassing.
- (dd) Tyd-van-gebruik tarief –
- tyd-van-gebruik tariewe wat aangebied word, is gebaseer op die piek-, standaard- en afpiektariewe en tydperiodes van die voorsieningsowerheid om kosteverhaling te handhaaf in geval van lasprofielverskuiwing. Transmissie- en verspreidingsnetwerkkoste kan deur rand/kVA heffings verhaal word;
 - Die sent/kWh heffing verhaal die volle veranderlike kostes en 'n gedeelte van die hertoegedeelde rand/kVA heffing waar van toepassing;
 - Die rand/verbruiker/maand heffing word nie hertoegewys nie;
 - die struktuur van die tyd-van-gebruik tarief sal bereken word volgens die aankoopstruktuur;
 - Die tyd-van-gebruik tarief sal slegs aangebied word in areas waar soortgelyke tariewe beskikbaar is.
 - waar 'n wins op die lewering van die diens gemaak word, sal dit by die vaste en veranderlike koste getel word voordat tariewe bereken word;

- (vii) Waar 'n eiendom nie by die elektrisiteitsnetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees gelyk aan die vaste koste bereken ooreenkomstig die bepalings van sub paragraaf (2)(b).

(ee) Netto-meter –

- (i) netto-meter invoertarief (energie verskaf aan die verbruiker) sent/kWh heffing sal gebaseer word op die gemiddelde koste van voorsiening insluitend 'n gedeelte van die bedryfskoste, surplus en aankoopkoste in ag genome tyd-van-gebruik tarief-variasies;
- (ii) netto-meter uitvoertarief (energie verskaf deur die verbruiker) sent/kWh sal nie die gemiddelde koste van aankoop oorskry nie in ag genome tyd-van-gebruik tariewe wat van toepassing is tydens die periode van voorsiening;
- (iii) 'n gedeelte van die vaste koste gelyk aan die bedryfs- en administratiewe koste van die Elektrisiteitsdepartement sal deur 'n rand/verbruiker/maand heffing verhaal word.

(3) Afvalverwydering

(a) Tariefstruktuur –

- (i) aantal persele beboud en onbeboud 'n basiese eenheid;
- (ii) grootmaat afvalverwydering;
- (iii) kosteverhalende tarief;
- (iv) spesiale afval; en
- (v) hekgelde/koepons.

(b) Metode van berekening –

- (i) 'n kosteverhalende tarief gelykstaande aan die eenheidstarief wat op huishoudelike verbruikers van toepassing is, sal gehef word vir elke perseel beboud of onbeboud. ;
- (ii) 'n eenheidstarief per perseel, hetsy residensiël of enige ander instansie, sal gehef word wat bereken sal word deur die totale koste deur die totale aantal persele te deel;
- (iii) waar meer as een wooneenheid, soos gedefinieer in die munisipaliteit se soneringskema regulasies, op 'n perseel geleë is (soos 'n skakelhuis of 'n blok woonstelle), sal elke sodanige wooneenheid vir doeleindes van hierdie paragraaf, geag word 'n afsonderlike perseel te wees;

- (iv) vir elke besigheid op 'n perseel sal 'n verpligte basiese afvalverwyderingstarief gehef word wat aangepas sal word volgens die hoeveelheid afval verwyder. Die afvaleenheid vir besighede is twee plastiek sakke of twee 85 liter afvaldromme of 'n 240 liter wheely bin per week. Vir residensiële persele is dit onbeperk;
- (v) 'n afvaltarief gelykstaande aan die eenheidstarief wat ooreenkomstig die bepalings van sub paragraaf (b)(ii) en (iv) vasgestel is met betrekking tot afvalverwydering vanaf persele geleë binne die stedelike randgebiede van die dorpsgebiede van Malmesbury, Moorreesburg, Riebeeck-Wes, Riebeeck Kasteel, Darling, Yzerfontein, Abbotsdale, Kalbaskraal, Chatsworth, Riverlands, Koringberg en Ongegund sal van toepassing wees op een keer per week se afvalverwydering per perseel.
- (vi) met betrekking tot die verwydering van afval op persele wat buite die voormelde stedelike randgebiede geleë is, of die verwydering by geleentheid van afval sal 'n tarief gebaseer op 'n vordering per vrag of gedeelte van 'n vrag wat verwyder moet word, gehef word;
- (vii) die tarief vir spesiale afval word bereken deur die koste van die lugspasie wat in beslag geneem word gemeet in tonnemaat, by die werklike koste om dit dadelik te behandel en te bedek te tel;
- (viii) die koepon pryse vir afval self gelewer by vullisterreine word bepaal volgens voertuig kapasiteit, die lugspasie asook die koste om dit daaglik te bedek;
- (ix) afvaltariewe sal maandeliks gehef word.
- (c) Waar 'n afvalverwyderingsdiens beskikbaar is, ongeag of afval verwyder word of nie, sal beskikbaarheidsgelde betaalbaar wees gelyk aan die maandelikse tarief soos van toepassing op 'n residensiële- of besigheidperseel.

(4) Sanitasie:

(a) Tariefstruktuur –

- (i) aantal toilette;
- (ii) formule gebaseerde watervloeiatarief; of
- (iii) 'n kosteverhalende tarief.

(b) Metode van berekening –

- (i) waar 'n eiendom nie by die rioolnetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees. Die tarief sal gelykstaande wees aan die eenheidstarief wat op residensiële verbruikers van toepassing is;

- (ii) 'n eenheidstarief per verbruiker sal gehêf word; die tarief sal bereken word deur die totale koste deur die totale aantal persele wat by die rioolnetwerk aangesluit is, te deel;
- (iii) waar meer as een wooneenheid, soos gedefinieer in die munisipaliteit se soneringskema-regulasies, op 'n perseel geleë is (soos 'n skakelhuis of 'n blok woonstelle), sal elke sodanige wooneenheid vir doeleindes van hierdie paragraaf, geag word 'n afsonderlike perseel te wees;
- (iv) 'n toeslag van 15% sal gehêf word vir elke addisionele toilet ten opsigte van verbruikers in die kategorieë waarna in paragraaf 3(1)(b) tot 3(1)(k) verwys word;
- (v) die tarief betaalbaar vir die verwydering van die inhoud van 'n riooltenk is gelyk aan die eenheidstarief wat ooreenkomstig die bepalings van sub paragraaf 4 (b)(i) vasgestel is met betrekking tot riooltenks in gebruik op persele geleë binne die jurisdiksiegebied van die munisipaliteit; waar 'n derde pumping in dieselfde maand gedoen word gedurende Paasnaweek asook skoolvakansies, sal sodanige pumping teen geen verdere koste gelever word, maar sal 'n vierde pumping in dieselfde maand teen werklike koste gelever word.
- (vi) met betrekking tot die verwydering van die inhoud van riooltenks in gebruik op persele wat buite die stedelike randgebied geleë is, of die verwydering by geleentheid van die inhoud van 'n septiese tenk sal 'n tarief gebaseer op 'n vordering per vrag wat verwyder moet word, gehêf word;
- (vii) gelde betaalbaar in terme van subparagraaf (vi) moet maandeliks deur die Insident program gehêf word;
- (viii) waar versoeke deur enige verbruiker aan wie 'n afvaldiens gelever word na gewone kantoorure deur Nooddienste ontvang word, sal die werklike koste deur die Insident program op die gewone toepaslike tarief gehêf word;
- (ix) industrieë wat as nat nywerhede (water intensiewe nywerhede) geklassifiseer is, sal bo en behalwe 'n tarief per toilet 'n behandelingskoste betaal wat op die volgende formule gebaseer is:

$$B = 0,85 \frac{V[R \times CSB]}{1000}$$
 B = Behandelingskoste
 V = Volume waterverbruik in kiloliter
 R = Koste van behandeling van 1kg CSB in R/kilogram CSB
 CSB = Chemiese suurstofbehoefte in milligram per liter

- (x) die volgende sal geld vir industrieë wat as nat nywerhede geklassifiseer is en wat met 'n vloei-metingsapparaat toegerus is om die volume van riool te meet:

$$B = \frac{V[R \times CSB]}{1000}$$
 B = Behandelingskoste
 V = Volume riool in kiloliter
 R = Koste van behandeling van 1kg CSB in R/kilogram CSB
 CSB = Chemiese suurstofbehoefte in milligram per liter
- (xi) riooltariewe sal maandeliks gehêf word, en betaalbaar wees deur die verbruiker.
- (c) Waar 'n eiendom nie by 'n waterdraende sanitasiestelsel of 'n sanitasie pompstelsel aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees gelyk aan die vaste koste bereken ooreenkomstig die bepalings van sub paragraaf (1)(b), met dien verstande dat sodanige heffing nie van toepassing sal wees op persele waar sypelriole bestaan nie.
- (5) Gemeenskaps- en gesubsidieerde dienste
 - (a) Tariefstruktuur –
 - (i) Die tariefstrukture soos uiteengesit in tabel 1 hieronder sal gebruik word vir die vasstelling van regulerende gemeenskap en gesubsidieerde dienste.
 - (b) Metode van berekening –
 - (i) hierdie tariewe sal jaarliks tydens die begrotingsvergadering aangepas word met 'n aantal persentasiepunte of deur die beraamde werklike koste te herbereken.

Tabel 1

FUNKSIE	EENHEID VAN OPBRENGS
1. DIVERSE DIENSGELDE 1.1 Inligting insake waardasies van eiendomme. 1.2 Uitreiking van waardasiesertifikaat van 'n eiendom. 1.3 Uitreiking van Uitklarings sertifikaat van 'n eiendom. 1.4 Uitreiking van tweede duplikaat-rekening, betaal advies en/of IRP's 1.5 Maak van fotostate. A4 grootte A3 grootte 1.6 Afdrukke van bouplanne en dorpskaarte. 1.7 Dishonoreringsgelde betaalbaar wanneer tjeks deur bank gedishonoreer word. 1.8 Bankstaat inligting aanvra tov onbekende items van direkte of internet betalings op munisipale bank rekening 1.9 Faksimilees: Ontvang en/of afstuur. 1.10 Skoonmaak van erwe 1.11 Aansoek om oopverbranding 1.12 Aansoek om plaag- en onkruidbespuiting	<ul style="list-style-type: none"> • Vaste bedrag per navraag per eiendom. • Vaste bedrag per sertifikaat. • Vaste bedrag per sertifikaat. • Vaste bedrag per duplikaat rekening, betaal advies en/of IRP's. • Vaste bedrag per wit en swart of gekleurde fotostaat • Vaste bedrag per afdruk tov wit en swart of gekleurd. • Bedrag gelyk aan die koste gehef deur die bank, plus 15% administrasie koste • Bedrag gelykstaande aan koste soos voorsien word deur die bank, plus 15% administrasie koste • Vaste bedrag per faksimilee. • Werklike koste plus 15% • Geen koste betaalbaar R/Besluit • Geen koste betaalbaar R/Besluit
2. VERHUUR VAN STADSAAL EN GEMEENSKAPSALE 2.1 Saalbesprekings met onderskeid t.o.v. die verskeie gebruike daarvan. 2.2 Saalbesprekings deur staande verbruikers, kombuis ingesluit. 2.3 Gebruik van sysale addisioneel tot hoofsaal. 2.4 Gebruik van kombuis addisioneel tot hoofsaal of sysale. 2.5 Gebruik van verversingskamer addisioneel	<ul style="list-style-type: none"> • Vaste bedrag per bespreking. • Vaste bedrag per jaar. • Vaste bedrag per bespreking. • Vaste bedrag per bespreking.

FUNKSIE	EENHEID VAN OPBRENGS
tot hoofsaal of sysale. 2.6 Gebruik van geriewe een dag voor besprekingsdatum. 2.7 Deposito betaalbaar t.o.v. gebruik van saal en bykomstige geriewe. 2.8 <u>Gebruik van die klanktoerusting by stad en gemeenskap sale</u> 2.9 <u>Nominale tarief vir dag en aand besprekings.</u> 2.10 <u>Oorskryding van voorgestelde ure.</u> 2.11 <u>Fooi tov saal opsigter dienste op Sondae</u> 2.12 <u>Gebruik van klavier</u> 2.13 Kansellasië van saal bespreking.	<ul style="list-style-type: none"> • Vaste bedrag per bespreking. • Vaste bedrag per bespreking. • Vaste bedrag per bespreking. • <u>Vaste bedrag per bespreking.</u> • <u>Vaste bedrag per bespreking soos per diskresioner bevoegdheid van Direkteur Korporatiewe Dienste</u> • <u>Vaste tarief per uur of 'n gedeelte van 'n uur.</u> • <u>Vaste bedrag per geleentheid op Sondae, uitgesluit kerk en begrafnis dienste (slegs Malmesbury en Wesbank sale).</u> • <u>Vaste bedrag per bespreking.</u> • 10% van huurgeld betaalbaar vir administrasiekoste word van deposito verhaal.
3. BIBLIOTEEKGELDE 3.1 Boetes vir die laat terugbesorg van boek, plaat, CD, kasset of kunsafdruk. 3.2 Boete vir die laat terugbesorg van video of DVD 3.3 Verlore lener kaartjies 3.4 Bespreking van biblioteekmateriaal- <ul style="list-style-type: none"> • Materiaal in voorraad • Materiaal nie in voorraad nie 	<ul style="list-style-type: none"> • Vaste bedrag per week of gedeelte van week per item • Vaste bedrag per dag of gedeelte van 'n dag per video. • Vaste bedrag per kaartjie • Vaste bedrag per bespreking • Vaste bedrag per bespreking
4. ELEKTRIESE DIENSAANSLUITINGS 4.1 Diensaansluitings tot 30 meter 10 mm ² x 2 aar met standaard kredietmeter. 4.2 Addisionele kabel per meter – maksimum 50 ampère (huishoudelik). 4.3 Diensaansluiting meer as 30 meter 16	<ul style="list-style-type: none"> • Vaste bedrag per 30 meter • Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. • Vaste bedrag per meter • Vaste bedrag per 30 meter

FUNKSIE	EENHEID VAN OPBRENGS
mm ² x 2 aar met standaard kredietmeter.	<ul style="list-style-type: none"> Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. Vaste bedrag per meter
4.4 Addisionele kabel per meter – maksimum 60 ampère (huishoudelik) en 80 ampère (besigheid).	<ul style="list-style-type: none"> Vaste bedrag per meter
4.5 Diensaansluiting tot 30 meter 16 mm ² x 4 aar met standaard kredietmeter.	<ul style="list-style-type: none"> Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste.
4.6 Addisionele kabel per meter –maksimum 3 x 40 ampère (huishoudelik) en 3 x 80 ampère (besigheid).	<ul style="list-style-type: none"> Vaste bedrag per meter
4.7 Diensaansluiting meer as 30 meter 16 mm ² met standaard meter.	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
4.8 Diensaansluiting tot 30 meter 16 mm ² x 4 aar met standaard meter.	<ul style="list-style-type: none"> Beraamde werklike koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. Beraamde werklike koste plus % toeslag vir administrasiekoste. Vaste bedrag per aansluiting. Vaste bedrag per enkel oordraer
4.9 Diensaansluiting meer as 30 meter 16 mm ² x 4 aar met standaard meter.	
4.10 Erwe met geïnstalleerde diensaan-sluiting	
4.11 Enkel oordraer – in areas waar die warmwatersilinder lasbestuurstelsel geïmplementeer is, is die aansoeker verantwoordelik om 'n lasbestuurstelsel te installeer vir beheer van die warmwatersilinder.	<ul style="list-style-type: none"> Vaste bedrag per dubbel oordraer
4.12 Dubbel oordraer - in areas waar die warmwatersilinder lasbestuurstelsel geïmplementeer is, is die aansoeker verantwoordelik om 'n lasbestuurstelsel te installeer vir beheer van die warmwatersilinder.	
4.13 Herstel van kabel en addisionele las	<ul style="list-style-type: none"> Vaste bedrag per kabellas
4.14 Addisionele heffing t.o.v. peutering- In geval waar gepeuter aan elektriese toerusting foutiewe elektrisiteitsgebruik veroorsaak het wat deur die meter geregistreer is, sal 'n addisionele heffing vir	<ul style="list-style-type: none"> Vaste bedrag

FUNKSIE	EENHEID VAN OPBRENGS
die opgradering van 'n aansluiting betaalbaar wees deur die geregistreerde verbruiker voor heraansluiting. T.o.v. behoeftige huishou-dings sal verbruikers die addisionele heffing betaal voordat die diens herstel sal word.	
4.15 Peuterfooie: In geval van gepeuter met elektrisiteitsmeters of waar 'n verbruiker sy of haar eie meter herstel het deur 'n seël te breek, is 'n peuterfooie per meter betaalbaar deur die geregistreerde verbruiker voor heraansluiting.	<ul style="list-style-type: none"> Vaste bedrag
5. VERKOPE VAN VOORAFBE-TAALDE ELEKTRIESE METERS	
5.1 Voorafbetaalde Enkelfase meter (programmering ingesluit) aan diensaansluiting kWh maksimum 100 amp.	<ul style="list-style-type: none"> Vaste bedrag per aansoek Werklike aankoopprys per aansoek plus % heffing van administratiewe koste
5.2 Voorafbetaalde Driefase meter (programmering ingesluit) aan diensaansluiting kWh maksimum 100 amp.	<ul style="list-style-type: none"> Vaste bedrag per aansoek Werklike aankoopprys per aansoek plus % heffing van administratiewe koste
5.3 Voorafbetaalde 1-fase splitmeter (programmering ingesluit)	<ul style="list-style-type: none"> Bedrag gebaseer op kwotasie
5.4 Voorafbetaalde 3-fase splitmeter (programmering ingesluit)	<ul style="list-style-type: none"> Bedrag gebaseer op kwotasie
6. DIVERSE DIENSTE: ELEKTRISITEITSDEPARTEMENT	
6.1 Uitroepfooie betaalbaar vir privaat navrae en probleme (munisipale elektrisiteitsvoorsiening of aansluitings uitgesluit) <ul style="list-style-type: none"> Kantoorure Na-ure en Saterdag Openbare vakansiedae en Sondae 	<ul style="list-style-type: none"> Vaste bedrag per uitroep
6.2 Aansoek deur verbruikers vir stroom-brekers met 'n hoër of laer vermoë per fase	<ul style="list-style-type: none"> Vaste bedrag per uitroep
6.3 Diensaansluitings-aansluiting vir residensieel en besigheid	<ul style="list-style-type: none"> Vaste bedrag per aansluiting

FUNKSIE	EENHEID VAN OPBRENGS
6.4 Toets van diensmeter op versoek van verbruiker vir akkuraatheid- Enkelfase, driefase, maksimum aanvraag	<ul style="list-style-type: none"> Vaste bedrag per aansoek
6.5 Toevoegings tot diensaansluitings kWh maksimum 100 amp na <ul style="list-style-type: none"> Enkelfase kredietmeter met stroombreker Driefase kredietmeter met stroombreker 	<ul style="list-style-type: none"> Vaste bedrag per aansoek
7. ELEKTRISITEITSDEPOSITO	
7.1 Elektrisiteitsdeposito ingesluit in verbruikersdienste deposito (water, elektrisiteit, vullisverwydering en riool)	<ul style="list-style-type: none"> Dienste deposito vaste bedrag
7.2 Besigheid – nuwe verbruikers	<ul style="list-style-type: none"> Dubbel die bedrag van die gemiddelde munisipale rekening vir drie opeenvolgende maande t.o.v. elektrisiteit, water, riool en vullisverwydering. Die deposito vir nuut opgerigte geboue word gebaseer op 'n skatting van die verwagte koste t.o.v. genoemde dienste.
8. WATER DIENSAANSLUITINGS	
8.1 15 mm aansluitings – lae koste behuising	<ul style="list-style-type: none"> Koste sal bepaal word volgens kontrak
8.2 15 mm aansluiting – alle ander aansluitings.	<ul style="list-style-type: none"> Beraamde werklike koste plus % heffing vir administratiewe koste
8.3 22 mm aansluiting	<ul style="list-style-type: none"> Beraamde werklike koste plus % heffing vir administratiewe koste
8.4 Aansluitings 22mm privaat ontwikkeling	<ul style="list-style-type: none"> Beraamde werklike koste plus % heffing vir administratiewe koste
8.5 Aansoek vir Toets van watermeters	<ul style="list-style-type: none"> Beraamde werklike koste plus % heffing vir administratiewe koste
8.6 Beskadiging van diensaansluitings en netwerk – koste moet verhaal word.	<ul style="list-style-type: none"> Bedrag terugbetaalbaar indien meter verslag 'n meter fout uitwys. Beraamde werklike koste plus % heffing vir administratiewe koste
8.7 Peuterfooi: In geval van peutering met die	<ul style="list-style-type: none"> Vaste bedrag

FUNKSIE	EENHEID VAN OPBRENGS
watermeterinstallasie of waar 'n verbruiker sy of haar eie meter herstel het deur 'n seël te breek, is 'n peuterfooi per meter betaalbaar deur die geregistreerde verbruiker voor heraansluiting.	
9. DIENSTEDEPOSITO	
9.1 Deposito ingesluit in verbruikers- dienste deposito (water, elektrisiteit, vullisverwydering, riool)	<ul style="list-style-type: none"> Vaste bedrag per aansoek
9.2 Huur van munisipale staanpyp	<ul style="list-style-type: none"> Vaste bedrag per verhuring
10. SANITASIE DIENSAANSLUITINGS	
10.1 100 mm aansluitings - PVC	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
10.2 150 mm aansluitings - PVC	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
10.3 Beskadiging van diensaansluitings en netwerke – koste moet verhaal word	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
11. DIVERSE DIENSTE SANITASIE	
11.1 Uitsuij van riooltenks <u>van Maandag tot Donderdag vanaf 08:00 tot 17:00 en Vrydae van 08:00 tot 15:45, ingesluit Grotto Bay en Jakkalfontein</u>	<ul style="list-style-type: none"> Vaste sanitasie heffing <u>vir 2 suigtenke per maand</u> soos van toepassing op residensiële of besigheidspersele uitgesluit persele waarop 'n sypelriool bestaan. <u>Vir elke suigtenk daarna (vanaf 3de suigtenk) – Werklike koste per suigtenk per maand</u>
11.2 <u>Uitsuij van riooltenke gedurende Paas naweek en skool vakansies.</u>	<ul style="list-style-type: none"> <u>Vaste sanitasie heffing vir 3 suigtenke per maand.</u> <u>Vir elke suigtenk daarna (vanaf 4de suigtenk) – Werklike koste per suigtenk per maand.</u>
11.3 Uitsuij van riooltenks (plase <u>en buitegebiede, uitgesluit Grotto Bay en Jakkalsfontein</u>)	<ul style="list-style-type: none"> Werklike koste per vrag gehef.
11.4 Uitsuij van riooltenks <u>na gewone</u>	<ul style="list-style-type: none"> Werklike koste per uitsuij.

<p><u>kantoorure</u> Maandag – Donderdag vanaf 17:00 Vrydag vanaf 15:45 – Maandagoggend 08:00</p> <p>11.5 Gedeeltelike aansluiting (uitsuig)</p> <p>11.6 Nywerheidsafloop per kg (CSB)</p> <p>11.7 Verkoop van gesuiwerde rioolwater – alle verbruikers, uitgesluit Rooiheuvel JV gesuiwerde rioolwater .</p> <p>11.8 Verkoop van gesuiwerde rioolwater – slegs vir Rooiheuvel JV – hulle is verantwoordelik vir instandhouding, herstel en vervang van aanwinste sowel as vir bedryfskoste – kontrak-voorwaardes</p> <p>11.9 Rioolverstopplings</p> <p>11.10 Rioolverstopplings (96 en 56 Munisipale woonstelle)</p> <p>11.11 Rioolverstopplings (na-ure) en publieke vakansiedae Maandag – Donderdag vanaf 17:00 Vrydag vanaf 15:45 – Maandagoggend 08:00</p>	<ul style="list-style-type: none"> • Vaste bedrag per uitsuig gedeel deur twee. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Per ooreenkoms volgens die volgende komponente – depresiasie koers per kiloliter, bedryfskoste per kiloliter en energiekoste per kiloliter soos jaarliks deur die munisipaliteit bepaal. • Vaste bedrag soos jaarliks deur die munisipaliteit bepaal. • Beraamde werklike koste plus % toeslag vir administrasiekoste • Gratis • Beraamde werklike koste plus % toeslag vir administrasiekoste.
<p>12. <u>SANTASIEDEPOSITO</u> 12.1 <u>Deposito</u> ingesluit by verbruikersdienste deposito (water, elektrisiteit, vullisverwydering en riool).</p>	<ul style="list-style-type: none"> • Vaste bedrag per verbruiker
<p>13. DIVERSE INGENIEURSDIENSTE 13.1 Maak van enkel motoringang - 3 m² 13.2 Maak van dubbel motoringang - 6 m²</p>	<ul style="list-style-type: none"> • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus %

<p>13.3 Maak van motoringang met stormwaterwegvoer 13.4 Teer en lapwerk</p>	<p>toeslag vir administrasiekoste.</p> <ul style="list-style-type: none"> • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste per m² plus % toeslag vir administrasiekoste.
<p>14. <u>BEGRAAFPLAASGELDE</u></p> <ul style="list-style-type: none"> • <u>Aansoeke vir die voorbereiding van grafte moet gedoen word ten minste 2 dae voor die begrafnis teen 12:00</u> • <u>Naweek beplanning vir begrafnis:</u> <u>Aansoek vir die voorbereiding of van gereserveerde grafte moet gedoen word voor /op Woensdag om 12:00</u> • <u>Toemaak van grafte:</u> <u>Die toemaak van grafte sal slegs gedoen word gedurende normale kantore ure.</u> <p>14.1 Enkelgrafperseel – koopprys 14.2 Enkelgraf – kinders onder 12 jaar 14.3 Reservering van perseel 14.4 Aansoek vir enkel grafperseel vir Nie-Swartland area inwoners 14.5 Reservering van perseel deur Nie-Swartland area inwoners</p> <p>14.6 Grawe van graf – 1.8m 14.7 Toegooi van graf</p> <p>14.8 Uitwys van grafperseel 14.9 Grawe van dubbeldiepte graf – 2.7m 14.10 Oopmaak van dubbeldiepte graf 14.11 Bou van baksteenvoering: <ul style="list-style-type: none"> • enkelgraf • ekstra dieptegrav </p>	<ul style="list-style-type: none"> • Vaste bedrag per perseel. • Vaste bedrag per perseel. • Vaste bedrag per perseel • Vaste bedrag per perseel en voorsien van laaste woonadres • Vaste bedrag en voorsien van laaste woonadres • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Vaste bedrag per perseel. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus % vir administrasiekoste.

14.12 Muur van herinnering: Koop van bergingspasie	<ul style="list-style-type: none"> • Vaste bedrag per ashouer.
14.13 Aansoek vir beskikbaar stelling van tydelike toilette by begrafnis	<ul style="list-style-type: none"> • Vaste koste per hoeveelheid tydelike toilette beskikbaar stel.
15. SWEMBADGELDE	
15.1 Per kaartjie per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
15.2 Per seisoenkaartjie per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
15.3 Vir galas – tydens die week per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie per Klas I en II swembad.
15.4 Vir galas – naweek (Saterdag en Sondag) Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie per Klas I en II swembad
15.5 Vir 2/3-kamp byeenkomste (maks 3 ure) per Klas I of Klas II swembad – weekdae en naweek (Saterdag-Sondag)	<ul style="list-style-type: none"> • Vaste bedrag vir 2/3-kamp byeenkomste per Klas I en II swembad - weekdae en naweek (Saterdag-Sondag)
15.6 Seisoenfooie vir klubs en skole 1-6 dae per week per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per klub of skool per Klas I en II swembad.
15.7 Opheffingsprojekte (nie-eksklusiewe gebruik maks 30 persone per dag) per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per byeenkoms per Klas I en II swembad.
15.8 Kerke, Jeug, Crèches, Sportklubs – per persoon per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
16. BOUPLANGELDE	
16.1 Ondergeskikte bouwerk/grensmure	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.2 Grensmure – per meter	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.3 Verlenging van geldigheidsduur <u>binne 12 maande</u>	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
16.4 Verlenging van geldigheidsduur na 12 maande	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.5 <u>Verlenging van geldigheidsduur na 12 maande, maar voor 24 maande, maar nie minder as die minimum gelde.</u>	<ul style="list-style-type: none"> • <u>Vaste bedrag per m²</u> <u>Minus 50% van per m²</u>
16.6 Bouplangelde: lae koste behuising	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.7 Addisionele bouplanfooie – bouwerk sonder goedkeuring Stap 1 – Vaslê van proses	<ul style="list-style-type: none"> • 50% van vaste koste Tarief van toepassing op Ondergeskikte bouwerk
16.8 Addisionele bouplanfooie – bouwerk sonder	<ul style="list-style-type: none"> • 50% van vaste koste Tarief van

goedkeuring Stap 2 – Opvolg van proses	toepassing op Ondergeskikte bouwerk
16.9 Addisionele bouplanfooie – bouwerk sonder goedkeuring Stap 3 – Regs proses	<ul style="list-style-type: none"> • 50% van vaste koste Tarief van toepassing op Ondergeskikte bouwerk
16.10 Lys van goedgekeurde bouplanne (jaarlikse fooie)	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.11 Goedkeuring van bouplangelde	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.12 Goedkeurde: minimum bouplangelde	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.13 Goedkeuring van bouplangelde-landelike gebiede	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.14 Goedkeuring: bouplanfooie (argitek-toniese ontwerphandleiding) per R/ m ²	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.15 Uitreiking van okkupasiesertifikaat ingevolge A20 NBR vir geboue waar die totale vloeroppervlak 500m ² en kleiner is	<ul style="list-style-type: none"> • Vaste bedrag per area 500m² en kleiner
16.16 Uitreiking van okkupasiesertifikaat ingevolge A20 NBR vir geboue waar die totale vloeroppervlak 500m ² en groter is	<ul style="list-style-type: none"> • Vaste bedrag per area groter as 500m²
17. GRONDGEBRUIKAANSOEKE EN ONDERVERDELINGS: TARIWE:	
17.1 Advertensieborde	<ul style="list-style-type: none"> • Vaste bedrag per bord
17.2 Aansoekfooie – advertensieborde opgerig sonder goedkeuring	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.3 Skouhuis borde (jaarliks betaalbaar)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek jaarliks, skou borde deposito uitgesluit.
17.4 Skouhuis deposito	<ul style="list-style-type: none"> • Vaste koste per aansoek
17.5 Plan Tekeninge	<ul style="list-style-type: none"> • Vaste koste per swart en wit of gekleurd
17.6 Gerekaniseerde kaart per pdf.leër	<ul style="list-style-type: none"> • Vaste koste per pdf.leër
17.7 Aansoeke om hersonering (nie van toepassing op onderverdeelde areas nie)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.8 Aansoek om hersonering (van toepassing op onderverdeelde areas) addisionele bedrag per landgebruik (oop ruimtes en paaie uitgesluit)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek, plus addisionele bedrag per land gebruik

17.9 <u>Toestemming word verlang in terme van die Sonering skema – Art 25(2)(g)</u>	• <u>Vaste bedrag per toestemming</u>
17.10 <u>Bepaal van 'n sonering – Art 25(2)(m)</u>	• <u>Vaste bedrag per bepaling</u>
17.11 <u>Goedkeuring van 'n “overlay zone” soos voorsien in die sonering skema</u>	• <u>Vaste bedrag per goedkeuring</u>
17.12 <u>Toestemming word verlang in terme van die voorwaarde vir goedkeuring - Art 25(2)(l)</u>	• <u>Vaste bedrag per toestemming</u>
17.13 <u>Toestemming word verlang vir die herkonstruksie van 'n bestaande gebou met 'n nie-ooreenkomstige bepaalde gebruik vir die vernietiging of beskadiging van 'n gedeelte van 'n gebou – Art25(2)(s)</u>	• <u>Vaste bedrag per toestemming</u>
17.14 Aansoeke om vergunningsgebruike	• Vaste bedrag per aansoek
17.15 Aansoeke om vergunningsgebruike slegs vir Huiswinkels	• Vaste bedrag per aansoek.
17.16 <u>Aansoeke om vergunningsgebruike – slegs Dagsorg</u>	• <u>Vaste bedrag per aansoek</u>
17.17 Aansoeke om verlenging van geldigheidsduur van goedkeurings vir hersonering en vergunningsgebruik	• Vaste bedrag per aansoek.
17.18 <u>Aansoeke om verlenging van geldigheidsduur van goedkeurings vir vergunningsgebruik – Huiswinkelss en Dagsorg (slegs)</u>	• <u>Vaste bedrag per aansoek.</u>
17.19 <u>Verlenging van geldigheidsduur van goedkeuring - Art 25(2)(i); (van a tydelike afwyking)</u>	• <u>Vaste bedrag per verlenging van tydelike periode van afwyking</u>
17.20 <u>Onderverdelings en Registrasie van Serwitute/ Huur ooreenkoms</u>	• <u>Vaste bedrag per Onderverdeling en Registrasie</u>
17.21 Aansoeke om onderverdeling – • tot 10 erwe • plus: bo 10 erwe	• Vaste bedrag per onderverdeling tot 10 erwe • Vaste bedrag per onderverdeling bo 10 erwe
17.22 <u>Intree, wysiging of kansellasië van 'n plan van onderverdeling of 'n gedeelte daarvan – Art 25(2)(k)</u>	• <u>Vaste bedrag per intree, wysiging of kansellasië of 'n gedeelte daarvan</u>
17.23 Aansoeke om verlenging van	• Vaste bedrag per erf

geldigheidsduur van goedkeurings vir onderverdeling.	
17.24 Aansoek om afwykings: • erwe < 500 m ² • erwe 501 m ² – 750 m ² • erwe > 750 m ²	• Vaste bedrag per aansoek. • Vaste bedrag per aansoek. • Vaste bedrag per aansoek.
17.25 Aansoek om afwyking (Verordening)	• Vaste bedrag per aansoek.
17.26 Aansoek om afwyking slegs deur Huiswinkels	• Vaste bedrag per aansoek
17.27 <u>'n Geleentheids gebruik van grond – Art25(2)(p)</u>	• Vaste bedrag per aansoek.
17.28 Aansoek om opheffing van beperkende voorwaardes.	• Vaste bedrag per aansoek
17.29 Sluit van Publiek plek	• Vaste bedrag per aansoek
17.30 Konsolidasie van grond eenhede	• Vaste bedrag per aansoek
17.31 Wysiging of kansellasië van Algemene Plan	• Vaste bedrag per wysiging en kansellasië
17.32 <u>Besware</u>	• <u>Vaste bedrag per beswaar</u>
17.33 <u>Appelle</u>	• <u>Vaste bedrag per appel</u>
17.34 <u>Nie-gevestigde Huis bewoners vereniging</u>	• <u>Vaste bedrag per aansoek</u>
17.35 <u>Herstel van 'n fout by 'n Huis bewoners vereniging om die verpligtinge mbt onderhoud en dienste – Art 25(2)(r)</u>	• <u>Vaste bedrag per aansoek</u>
17.36 <u>Advertensiekoste t.o.v. aansoek van hersonering, onder-verdeling, vergunningsgebruike en afwykende gebruiksaansoeke, in gevolge van (SPLUMA/LUPA/BY-LAW) per enkel aansoek - koerant</u>	• Vaste bedrag per enkel aansoek - koerant
17.37 <u>Advertensiekoste t.o.v. aansoek van hersonering, onder-verdeling, vergunningsgebruike en afwykende gebruiksaansoeke, in gevolge van (SPLUMA/LUPA/BY-LAW) per kombinasie aansoek - koerant</u>	• Vaste bedrag per kombinasie aansoek - koerant
17.38 <u>Advertensiekoste t.o.v. adverteer van hersonering, onder-verdeling,</u>	• Vaste bedrag per kombinasie

vergunningsgebruik en afwykende gebruiksaanseke – Provinsiale Gazette	aansoek – Provinsiale Gazette
17.39 Posgeld betaalbaar	<ul style="list-style-type: none"> • <u>Koste per posstuk</u>
17.240 Uitreik van afdeling 31 sertifikaat (ord. 15/85)	<ul style="list-style-type: none"> • Vaste bedrag per goedkeuring per erf
17.41 Uitreik van afdeling 28 (Verordening)	<ul style="list-style-type: none"> • Vaste bedrag per goedkeuring per erf
17.42 Wysiging van goedgekeurde voorwaardes (aansoekfooi sal slegs toepaslik wees as aansoek 'n openbare deelnameproses vereis)	<ul style="list-style-type: none"> • Vaste bedrag per wysiging
17.43 Wysiging van goedgekeurde voorwaardes (aansoek sonder 'n openbare deelnameproses)	<ul style="list-style-type: none"> • Vaste bedrag per wysiging
17.44 Goedkeuring van 'n grondwet	<ul style="list-style-type: none"> • Vaste bedrag
17.45 Goedkeuring van 'n argitektoniese ontwerphandleiding	<ul style="list-style-type: none"> • Vaste bedrag
17.46 Wysiging van 'n grondwet of argitektoniese ontwerp	<ul style="list-style-type: none"> • Vaste bedrag
17.47 Boete vir ongemagtigde grondgebruik	<ul style="list-style-type: none"> • Vaste bedrag per dag na sluiting van Finale Kennisgewing
17.48 Uitreiking van soneringsertifikaat	<ul style="list-style-type: none"> • Vaste bedrag per sertifikaat.
17.49 CD vir ROR	<ul style="list-style-type: none"> • Vaste bedrag per CD.
17.50 CD vir Sonering Skemaregulasies	<ul style="list-style-type: none"> • Vaste bedrag per CD.
17.51 Aansoek met redes vir besluit aan die aansoeker geneem deur die Waardasie Appèlraad rakende Wet op Eiendomstariewe (6 van 2004) afdeling 53(2)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.52 Wysiging van ROR	<ul style="list-style-type: none"> • Vaste bedrag per wysiging.
18. WOONWAPARK EN CHALETS: TARIEWE	
18.1 Kampeerterreinpersele vir woonwaens en/of	

tente (buite seisoen):	<ul style="list-style-type: none"> • beperk tot 4 persone per perseel • meer as 4 persone per perseel 	<ul style="list-style-type: none"> • Vaste bedrag vir 4 persone per nag. • Vaste bedrag vir elke addisionele persoon per nag.
18.2 Kampeerterreinpersele vir woonwaens en/of tente (binne seisoen):	<ul style="list-style-type: none"> • beperk tot 4 persone per perseel • meer as 4 persone per perseel 	<ul style="list-style-type: none"> • Vaste bedrag vir 4 persone per nag. • Vaste bedrag vir elke addisionele persoon per nag.
18.3 Chalets (buite seisoen) –	<ul style="list-style-type: none"> • Beperk tot 6 persone per chalet. 	<ul style="list-style-type: none"> • Vaste bedrag vir 6 persone per nag.
18.4 Chalets (binne seisoen) –	<ul style="list-style-type: none"> • Beperk tot 6 persone per chalet 	<ul style="list-style-type: none"> • Vaste bedrag vir 6 persone per nag.
18.5 Toegangsgelde vir besoekers-	<ul style="list-style-type: none"> • toegangsgelde vir motorvoertuig plus toegangsgelde vir persone 	<ul style="list-style-type: none"> • Vaste bedrag per motorvoertuig • Vaste bedrag per persoon.
18.6 Staanplek sonder enige geriewe vir fietsryers met eenman tente.		<ul style="list-style-type: none"> • Vaste bedrag per persoon per nag.
18.7 Woonwastoorplek		<ul style="list-style-type: none"> • Vaste bedrag per stoorplek.
18.8 Huur wasmasjiene		<ul style="list-style-type: none"> • Vaste bedrag per was.
18.9 Gelde betaalbaar by bespreking- Chalets – Desember/Januarie Paasnaweek Ander tydperke		<ul style="list-style-type: none"> • 100% van gelde betaalbaar vir bespreekte tydperk. • 100% van gelde betaalbaar vir bespreekte tydperk.
Kampeerpersele – Desember/Januarie Paasnaweek		<ul style="list-style-type: none"> • 100% van gelde betaalbaar vir bespreekte tydperk. • 100% van gelde betaalbaar vir bespreekte tydperk.
18.10 Kansellasië van bespreking van chalets /kampeerterreinpersele		<ul style="list-style-type: none"> • Bedrag betaalbaar minus 10% kanselleringsfooi.
18.11 Afslag vir pensioenarisse en groepe: Pensioenarisse- Groepe:		10% afslag
10-15 karavane		10% afslag
16-25 karavane		15% afslag
26-50 karavane		20% afslag
		25% afslag

Meer as 50 karavane	
18.12 Breekskade van Chalets kombuis ware	<ul style="list-style-type: none"> • Vaste koste per item wat gebreek is
18.13 Verhuring van beddegoed vir Chalets	<ul style="list-style-type: none"> • Vaste koste vir beddegoed huur
<u>19. AANBRING VAN PLAKKATE EN BANIERE OP MUNISPALE GROND:</u>	
19.1 Deposito betaalbaar vir geleentheid van Nie-Handels aktiwiteite (godsdienst, sport, toerisme ens.)	<ul style="list-style-type: none"> • <u>Terugbetaalbare deposito per geleentheid</u> • <u>Terugbetaalbare deposito per wyk</u>
19.2 Deposito betaalbaar vir Verkiesingsdoeleindes deur politieke partye vir Nasionale en Provinsiale verkiesing en Plaaslike verkiesing (Tussen verkiesings uitgesluit)	
19.3 Deposito betaalbaar vir Verskiesingsdoeleindes deur politieke partye vir Tussen verkiesing	<ul style="list-style-type: none"> • <u>Terugbetaalbare deposito vir die aantal wyke</u>
19.4 Bedrag betaalbaar vir die aanbring van plakkate en baniere tov Verkiesing doeleindes	<ul style="list-style-type: none"> • <u>Vaste nie-terugbetaalbare bedrag</u>
19.5 Koste vir nie verwydering van plakkate en baniere teen sperdatum	<ul style="list-style-type: none"> • <u>Vaste bedrag per plakaat en banier</u>
20. AD HOC VERHURING VAN MUNISIPALE GROND EN SPORTTEREINE	
20.1 Verhuur van sirkusterrein.	<ul style="list-style-type: none"> • Vaste bedrag per bespreking per dag. • <u>Vaste bedrag per geleentheid per dag</u>
20.2 <u>Verhuur van Riebeeck Kasteel pleingrond</u>	
20.3 Verhuur van oop terreine vir kerkdienste. <u>Chemiese toilet moet voorsien word</u>	<ul style="list-style-type: none"> • Vaste bedrag per bespreking per dag of deel van dag . <u>Chemiese toilet word voorsien op eie koste</u>
20.4 Verhuur van terrein vir mallemeule.	<ul style="list-style-type: none"> • Vaste bedrag per bespreking per dag.
20.5 <u>Gebruik van oopruimtes en kusgebied vir Foto opnames</u> <u>“Still Photos”</u> <u>Troues</u>	<ul style="list-style-type: none"> • <u>Vaste bedrag per aansoek per tipe</u>

<u>Ander</u>	
20.6 <u>Verhuring van Oop spasie vir smouse</u>	<ul style="list-style-type: none"> • <u>Vaste bedrag per spasie</u>
20.7 Kansellasië van sportgronde verhuring	<ul style="list-style-type: none"> • Werklike koste plus 15% van seisoenfooie
<u>21. AANSOEK VIR VERLENGDE BESIGHEIDS URE Art 9(1) van Drank Handel</u>	
21.1 Aansoek vir verlengde besigheidsure tov Art 9(1) van die Drank Handel	<ul style="list-style-type: none"> • <u>Vaste bedrag per aansoek</u>
22. VERKEERSDEPARTEMENT: TARIWE VIR VERKEERSDIENSTE	
22.1 <u>Uitreiking van Gestremde plakkers</u>	<ul style="list-style-type: none"> • <u>Gratis per uitreiking van Gestremde plakkers</u>
22.2 <u>Toets – Remme en ligte toetsing van ligte voertuie</u>	<ul style="list-style-type: none"> • <u>Vaste bedrag per toets vir ligte voertuie</u>
22.3 <u>Toets - Remme en ligte toetsing van swaer voertuie</u>	<ul style="list-style-type: none"> • <u>Vaste bedrag per toets vir swaer voertuie</u>
22.4 Begeleiding van voertuie deur die dorp.	<ul style="list-style-type: none"> • Vaste bedrag per uur per beampte
22.5 Voorsiening van dienste aan instansies bv. sportliggame; begrafnisbegeleidings, feeste, ens.	<ul style="list-style-type: none"> • Vaste bedrag per uur per geleentheid.
22.6 Sluiting van paaie vir privaat of toerisme aktiwiteite	<ul style="list-style-type: none"> • <u>Vaste bedrag betaalbaar per aansoek</u>
23. HAWE EN VISMARKTARIWE: YZERFONTEIN	
23.1 Gebruik van hawefasiliteite- Alle bote	<ul style="list-style-type: none"> • Vaste bedrag per diens.
23.2 Toegangsgelde vir motorvoertuie	<ul style="list-style-type: none"> • Vaste bedrag per motorvoertuig.
23.3 Toegangsgelde betaalbaar t.o.v. gebruik van vismarkfasiliteite.	<ul style="list-style-type: none"> • Vaste bedrag per diens.

9. Kennisgewing van tariewe, fooie en diensteheffings

- (1) Die munisipaliteit moet ten minste 30 dae voor die inwerkingtreding van alle fooie en diensgelde tariewe wat tydens die begrotingsvergaderings goedgekeur is, kennis gee.
- (2) Die munisipaliteit moet op 'n aangewese plek 'n kennisgewing vertoon wat die inhoud van die raadsbesluit en die datum waarop die tariewe in werking tree, bevat.

SWARTLAND MUNICIPALITY

TARIFF POLICY

REVIEWED AND AMENDED

MAY 2017

In terms of section 74 of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000) the Municipality of Swartland adopts the following Tariff Policy –

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1. Objectives of policy
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4. Service classification
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9. Notification of tariffs, fees and service charges

1. Objectives of policy

The objectives of this policy are –

- (a) to comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and
- (b) to give guidance to the councillor responsible for finance regarding tariff proposals to be submitted to council annually during the budget process.

2. Tariff principles

The following principles shall apply –

- (a) restricted free services to consumers and financial assistance to indigent households shall be considered only in as far as it can be financed from –
 - (i) financial allocations by the National Government; and
 - (ii) a grant for that purpose by the municipality, which shall be determined annually during the budget process.
- (b) all consumers of municipal services must be treated equitably and the various categories of consumers must pay the same charges based on the same cost structure;
- (c) the amount payable by consumers must be in proportion to usage of the service;
- (d) indigent households must at least have access to basic services through lifeline tariffs or direct subsidisation;
- (e) tariffs must reflect the total cost of services unless stated otherwise in this policy document;

- (f) where provided for in this policy, consumers may choose a tariff from a range of applicable tariffs;
- (g) tariffs must be set at a level that facilitates the sustainability of services by ensuring that –
 - (i) cash inflows cover cash outflows which mean that sufficient provision for working capital and bad debts must be made; and
 - (ii) access to the capital market is maintained by providing for the repayment of capital, maintaining sufficient liquidity levels and making profit on trading services.
- (h) provision shall be made in appropriate circumstances for a surcharge on a tariff which will apply when a restriction of use is required which may include national disasters and periods of droughts;
- (i) efficient and effective use of resources shall be encouraged by providing for penalties to prohibit exorbitant use;
- (j) the extent of subsidisation of tariffs shall be disclosed;
- (k) VAT is excluded from all tariffs and shall be additional to these tariffs when applicable.

3. Categories of consumers

- The tariff structure may provide for the following categories of consumers-
 - (a) domestic consumers;
 - (b) commercial consumers;
 - (c) industrial consumers;
 - (d) agricultural consumers;
 - (e) municipalities;
 - (f) consumers with whom special agreements were made;
 - (g) consumers in certain geographical areas;
 - (h) sport and recreation facilities;
 - (i) educational and communal institutions; and
 - (j) charitable and welfare institutions and organisations.
 - (k) Government.
- (2) The municipality may differentiate between different categories of consumers, debtors, service providers, services, service standards and other matters.
- (3) The differentiation shall be based on one or more of the following elements –
 - (a) infrastructure costs;
 - (b) volume usage; or
 - (c) availability and service standards.

4. Service classification

The municipality may, subject to the guidelines provided by the National Treasury and the Mayoral Committee, make provision for the following classification of services:

- (a) **trading services**
 - (i) water
 - (ii) electricity
 - (iii) camping facilities
- (b) **economic services**
 - (i) refuse removal
 - (ii) sewage disposal
- (c) **community services**
 - (i) air pollution
 - (ii) fire fighting services
 - (iii) local tourism
 - (iv) town planning
 - (v) municipal public works
 - (vi) storm water management system in built-up areas
 - (vii) trading regulations
 - (viii) fixed billboards and the display of advertisements in public places
 - (ix) cemeteries
 - (x) control of public nuisances
 - (xi) control of undertakings that sell liquor to the public
 - (xii) facilities for accommodation, care and burial of animals
 - (xiii) fencing and fences
 - (xiv) licensing and control of undertakings that sell food to the public
 - (xv) local amenities
 - (xvi) local sport facilities
 - (xvii) municipal parks and recreation
 - (xviii) municipal roads
 - (xix) noise pollution
 - (xx) pounds
 - (xxi) public places
 - (xxii) street trading/street lighting
 - (xxiii) traffic and parking
 - (xxiv) building control
 - (xxv) licensing of motor vehicles and transport permits
 - (xxvi) nature reserves

5. Expenditure classification

Expenditure may be classified as:

- (a) Subjective classification which includes –
 - (i) salaries, wages and allowances
 - (ii) bulk purchases
 - (iii) general expenditure
 - (iv) repairs and maintenance

- (v) capital charges (interest and redemption) / depreciation
- (vi) contribution to fixed assets
- (vii) contribution to funds –
 - (aa) bad debts;
 - (bb) working capital; and
 - (cc) statutory funds
- (viii) contribution to reserves
- (ix) gross expenditure
- (x) less charge-out
- (xi) net expenditure
- (xii) income; and
- (xiii) surplus/deficit

This classification of expenditure each with a unique vote must be applied to all cost centres.

- (b) Objective classification in terms of which the following cost centres must be created to which the costs associated with providing the service can be allocated –
 - (i) department
 - (ii) section/service
 - (iii) division/service

6. Cost elements

The following cost elements may be used to calculate the tariffs for the different services –

- (a) fixed costs which consist of the capital costs (interest and redemption) on external loans as well as internal advances or depreciation whichever are applicable to the service, and any other costs of a permanent nature as determined by the municipality;
- (b) variable cost which includes all other variable costs that have reference to the service; and
- (c) total cost which consists of the fixed cost and variable cost;
- (d) a cost recovery tariff; or
- (e) a combination of any of abovementioned tariffs.

7. Tariff types

In determining the type of tariff applicable to the type of service the municipality may make use of the following five options or a combination thereof –

- (a) a single tariff which shall consist of a cost per unit consumed and which will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Director: Financial Services the municipality may approve profits on trading services which will be added to cost of the service for the purpose of calculating the tariffs.

- (b) cost related two-to-three part tariff which shall consist of two to three parts –
 - (i) management, capital, maintenance and operating costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers;
 - (ii) variable costs may be recovered by a unit charge per unit consumed; and
 - (iii) three part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during periods of limited demand.
- (c) inclining block tariff which is based on consumption levels being categorised into blocks, with the tariff increasing as consumption levels increase. The first step in the tariffs will be calculated at break-even point and subsequent steps will be calculated to yield a result that would discourage excessive use of the commodity.
- (d) declining block tariff which is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fixed and variable cost and profit by the volume consumed and will only be used for special agreements;
- (e) a cost recovery tariff; or
- (f) a regulating tariff which is of a regulatory nature and the municipality may recover the full cost or a portion thereof associated with rendering the service.

8. Tariff structure and methods of calculations

The following tariff structure shall be applied to determine tariffs –

- (1) Water
 - (a) Tariff structure-
 - (i) fixed tariff per consumer plus a single tariff per unit used (kilolitres used);
 - (ii) single tariff per consumer; or
 - (iii) a cost recovery tariff;
 - (b) Method of calculation-
 - (i) the fixed costs of the service shall consist of the costs indicated as such by the municipality;
 - (ii) the number of consumers shall be used to determine the fixed costs per consumer;
 - (iii) where a fixed cost per consumer is charged, the unit charge shall be calculated by dividing the variable cost by the volume consumed;
 - (iv) where a fixed cost per consumer is not charged, the unit charge shall be calculated by dividing the total cost by volume consumed;
 - (v) if for any reason a meter cannot be read or has not been read, the municipality shall be entitled to render an account based on

- the estimated consumption calculated on the last known 3 months' average consumption preceding the date on which the meter was last read;
- (vi) where a property is not connected to the water reticulation system but can reasonably be so connected, an availability charge equal to the unit tariff per kiloliter, as determined annually by Council;
- (vii) profit made on the service shall be added to the fixed and variable cost before tariffs are calculated.

• Electricity

(a) Tariff structure –

- (i) kWh – Active Energy;
- (ii) kVA – maximum demand (thermic or block) register in a half an hour period;
- (iii) kVArh – Reactive Energy;
- (iv) peak, standard and off-peak time periods – according to bulk purchase tariff structure;
- (v) high and low consumption seasons – according to bulk purchase tariff structure;
- (vi) allocation of holiday season – according to bulk purchase tariff structure;

(b) Method of calculation –

- (i) the guidelines and policy issued by the National Electricity Regulator shall form the basis for calculating tariffs;
- (ii) cross subsidisation between and within categories of consumers may be allowed based on the load factors of the categories and consumers within the category;
- (iii) portions of the fixed costs will be recovered through an energy or time-of-use charge.
- (iv) in applying the abovementioned principle, the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables shall be used-

Tariff types	Fixed charge Rands/ consumer/ Month	Active Energy charge cents / kWh	Seasonally Time-of-use Energy charge Peak Standard Off-peak	Capacity- charge Rands / kVA / month	Reactive energy charge cents / kWh
One part		X			
One part block 1		X			

Block block 2		X			
Two part	X	X			
Two part Block	X				
Block 1		X			X
Block 2		X			X
Block 3		X			X
Block 4		X			X
Three part	X	X		X	
Three part time-of-use	X				X
Peak			X		
High season Standard			X		
Off-peak			X		
Peak			X		
Low season Standard			X		
Off-peak			X		
Four part time-of-use	X			X	X
Peak			X		
High season Standard			X		
Off-peak			X		
Peak			X		
Low season Standard			X		
Off-peak			X		
Three part Net-Metering	X				
Import		X			
Export		X			

(aa) The one-part single energy rate tariff –

All costs allocated to a consumer category which normally makes use of a one-part single energy rate tariff shall be expressed in a single cents/kWh charge, calculated as follows –

- (i) the maximum demand costs (rands/kVA/month) of all consumers that will normally use a single tariff will be calculated by considering the average load factor applicable to the type of consumers and added to the variable cost;
- (ii) the fixed cost (rand per consumer per month) and the energy cost (kWh) shall be added to the variable cost;
- (iii) the total cost (maximum demand, fixed and energy costs) allocated to consumers which normally uses a one-part-single-energy tariff shall be calculated at a

- break-even point comparable with the number of kWh units determined by Eskom;
 - (iv) the total cost will be expressed in a cents/kWh tariff.
- (bb) The two-part tariff –
- (i) a portion of the fixed cost equal to the operating and administrative cost of the Electricity Department shall be recovered through a rands per consumer per month charge;
 - (ii) the remaining portion of the fixed cost will be added to the variable cost and recovered through a unit charge (cent/kWh charge);
 - (iii) the tariff consists of a fixed monthly charge plus a variable charge related to metered kWh consumption.
- (cc) The three-part tariff –
- (i) a portion of the fixed cost as described in sub paragraph (2)(bb)(i) shall be recovered through a rand/consumer/ month charge;
 - (ii) the remaining portion of the fixed cost shall be recovered through a unit charge (cent/kWh) and maximum demand charge (rand/kVA/month);
 - (iii) the maximum demand charge (rand/kVA cost) shall be recovered through the capacity charge where applicable;
 - (iv) the cent/kWh charge shall recover the total variable cost plus portions of re-allocated fixed and demand charges (rand/consumer/month and rand/kVA costs) where applicable.
- (dd) Time-of-use tariff –
- (i) time-of-use tariffs offered shall be based on the peak, standard and off-peak tariffs and time periods of the supply authority to maintain cost recovery in the event of load profile shifting. Transmission and distribution network charges may be recovered through rand/kVA charges;
 - (ii) the cents/kWh charge recovers the full variable costs as well as a portion of the reallocated rands/kVA charges where applicable;
 - (iii) the rands per consumer per month charge is not reallocated;
 - (iv) the structure of the time-of-use tariff will be calculated according to the purchase structure;
- (v) the time-of-use tariff will only be offered in areas where similar tariffs are available to the municipality;
 - (vi) where a profit is made on the service it will be added to the fixed and variable cost before tariffs are calculated.
 - (vii) where a property is not connected to the electricity reticulation system but can reasonably be so connected, an availability tariff equal to the fixed costs calculated in accordance with the provisions of sub paragraph (2)(b) shall be payable.
- (ee) Net metering –
- (i) net-metering import tariff (energy supplied to the consumer) cent/kWh charges shall be based on the average cost of supply including a portion of operating cost, surplus and purchase cost allowing for time-of-use tariff variations;
 - (ii) net-metering export tariff (energy supplied by the consumer) cent/kWh charges shall not exceed the average cost of purchase allowing for time of use tariffs applicable during the time period of supply;
 - (iii) a portion of the fixed cost equal to the operating and administrative cost of the Electricity Department shall be recovered through a rands/consumer/month charge.
- (3) Waste removal
- (a) Unit of measurement-
- (i) number of premises whether built on or not, is a basic unit;
 - (ii) bulk waste removal;
 - (iii) cost recovery tariff
 - (iv) special waste;
 - (v) gate levies/coupons
- (b) Method of calculation –
- (i) a cost recovery tariff equal to the unit tariff applicable to domestic consumers shall be levied on each premises whether built upon or not;
 - (ii) a unit tariff per premise, whether residential or other institution, shall be levied which will be calculated by dividing the total cost by the total number of premises;
 - (iii) where more than one dwelling unit, as defined in the municipality's scheme regulations, are situated on premises (such as semi-detached units or blocks of flats), each such dwelling unit shall be regarded as separate premises for the purposes of this paragraph;

- (iv) for each business on premises a compulsory waste removal tariff shall be charged that will be adjusted according to volume of waste removed. The waste unit for business is two plastic bags or two 85 litre waste bins or a 240 litre wheely bin per week. For residential premises it is unlimited.
 - (v) a waste tariff equal to the unit tariff levied in terms of sub paragraph (b)(ii) & (iv) in respect of the removal of waste on premises situated within the urban fringe areas of the towns of Malmesbury, Moorreesburg, Riebeek-Wes, Riebeek-Kasteel, Darling, Yzerfontein, Abbotsdale, Kalbaskraal, Chatsworth, Riverlands and Koringberg and Ongegund shall be applicable to waste removal once a week per premises.
 - (vi) with regard to premises situated outside the above mentioned urban fringe areas, or the occasional removal of refuse, a tariff based on a levy per load or part thereof shall be levied;
 - (vii) the tariff for special waste shall be levied by adding the cost of air space occupied, measured in tons, to the actual cost to treat and cover such waste;
 - (viii) the coupon prices for waste delivered personally at waste sites, shall be determined according to vehicle capacity, the air space occupied as well as the cost to cover such waste daily;
 - (ix) waste tariffs shall be levied monthly.
 - (c) Where a waste removal service is available, whether such service is used or not, an availability tariff equal to the monthly tariff applicable to residential and business premises shall be levied
- (4) Sanitation:
- (a) Unit of measurement –
 - (i) number of toilets;
 - (ii) formula based water flow tariff; or
 - (iii) a cost recovery tariff.
 - (b) Method of calculation –
 - (i) an availability charge may be levied at a tariff equal to the unit tariff applicable to residential consumers where a property is not connected to the sewerage reticulation system but can reasonably be so connected;
 - (ii) a unit charge per consumer may be charged; the tariff will be calculated by dividing the total cost by the total number of premises connected to the sewerage reticulation system;
 - (iii) where more than one dwelling unit, as defined in the municipality's zoning scheme regulations, is situated on premises (such as a semi-detached dwelling or a block of flats etc.), each such a dwelling unit shall for the purpose of this paragraph, be considered to be separate premises;
- (iv) a surcharge of 15% shall be levied for each additional toilet in respect of consumers mentioned in paragraphs 3(1)(b) to 3(1)(k)
 - (v) the tariff payable for the removal of the contents of a conservancy tank shall be equal to the unit tariff levied in terms of sub paragraph 4(b)(i) in respect of conservancy tanks in use on premises situated within jurisdictional area of the municipality; where a third suction is done in the same month during Easter Weekend or school holidays, such suction shall be done at no cost while a fourth suction in the same month shall be done at actual cost.
 - (vi) a tariff, based on a charge per load to be removed, may be levied for the emptying of conservancy tanks on premises situated outside the urban fringe areas or for the occasional removal of the contents of a septic tank on such premises;
 - (vii) charges payable in terms of sub paragraph (vi) must be levied by the Incident program monthly;
 - (viii) where requests by any consumer to whom a waste removal service is received by Emergency Services after ordinary office hours, the actual cost shall be levied by the Incident program;
 - (ix) industries classified as wet industries (water intensive industries) shall pay a treatment cost based on the following formula in addition to a tariff per cistern:

$$B = 0,85 V[R \times \text{COD}] / 1000$$
 B = Treatment cost
 V = Volume of water used in kiloliter
 R = Cost of treating of 1 Kilogram COD in R/kilogram COD
 COD = Chemical oxygen demand in milligram per litre
 - (x) industries classified as wet industries and equipped with a flow measurement device to record the effluent volume, the following shall apply:

$$B = V[R \times \text{COD}] / 1000$$
 B = Treatment cost
 V = Volume of effluent in kiloliter
 R = Cost of treating of 1 Kilogram COD in R/kilogram COD
 COD = Chemical oxygen demand in milligram per litre
 - (xi) sewerage tariffs shall be levied monthly.
 - (c) Where property is not connected to any water bearing sanitation system or a sanitation pumping system, but can reasonably so connected, a monthly availability charge equal to the fixed cost calculated in terms of sub paragraph (1)(b), shall be levied, provided that such availability charge shall not be applicable not premises where french drains exist.
- (5) Community services
- (a) Tariff structure –

- (i) the tariff structure as reflected in table 1 below shall be used to determine regulatory community and subsidised services.
- (b) Method of calculation –
- (i) these tariffs may be adjusted annually by a percentage as determined by the council during its budget process, or by a recalculation of the estimated actual cost.

Table 1

FUNCTION	UNIT OF RETURN
1. SUNDRY SERVICE CHARGES	
1.1 Information regarding valuation of properties.	• Fixed amount per enquiry per property.
1.2 Issuing of Valuation certificate of a property.	• Fixed amount per certificate.
1.3 Issuing of Clearance valuation certificate of a property.	• Fixed amount per certificate.
1.4 Issuing of second duplicate account / Payslip or IRP 5's	• Fixed amount per duplicate account / Payslip or IRP 5's.
1.5 Photocopying: A4 size A3 size	• Fixed amount per black/white or coloured photocopy.
1.6 Copies of building plans and area maps.	• Fixed amount per black/white or coloured copy.
1.7 Dishonouring charges payable when bank dishonours a cheque and debit order per ACB system.	• Amount equal to the costs levied by the bank plus 15% admin cost.
1.8 Collected of bank information – Unidentified of Direct bank/Internet payments on municipal bank statement.	• Amount equal to the costs levied by the bank plus 15% admin cost.
1.9 Fax: Received and/or send.	• Fixed amount per fax.
1.10 Cleaning of erven	• Actual cost, plus 15% Admin cost.
1.11 Application for open burning	• No cost – Council Resolution
1.12 Application for pesticide spraying	• No cost – Council Resolution
2. LETTING OF TOWN HALLS AND COMMUNITY HALLS	
2.1 Hall reservations, taking into account various uses thereof.	• Fixed amount per reservation.
2.2 Hall reservations, including kitchen by	• Fixed amount per annum.

FUNCTION	UNIT OF RETURN
standing users.	
2.3 Use of side wards additional to main hall.	• Fixed amount per reservation.
2.4 Use of kitchen additional to main hall or side ward.	• Fixed amount per reservation.
2.5 Use of refreshment room additional to main hall or side ward.	• Fixed amount per reservation.
2.6 Use of facilities one day prior to date of reservation.	• Fixed amount per reservation.
2.7 Deposit payable in respect of the use of the hall and the facilities.	• Fixed amount per reservation.
2.8 Use of Sound System at town and community halls.	• Fixed amount per reservation.
2.9 Nominal Tariff for day and evening reservations	• Fixed amount per reservation on discretion by Director Corporate Services
2.10 Exceeding of prescribed hours.	• Fixed tariff per hour or portion of a hour.
2.11 Fees in respect of caretaker – functions on Sundays.	• Fixed amount per function on Sundays, excluded church- /burial services (only Malmesbury and Wesbank halls).
2.12 Use of grand piano.	• Fixed amount per reservation.
2.13 Cancellation of hall reservation.	• 10% of the rental payable to cover administration costs, shall be recovered from the deposit paid.
3. LIBRARY FEES	
3.1 Fine for the late return of books or CDs.	• Fixed amount per week or portion of a week per item.
3.2 Fine for late return of a video or DVD	• Fixed amount per day or portion of a day per video.
3.3 Lost lender tickets.	• Fixed amount per ticket.
3.4 Booking of library material- • material in stock • material not in stock	• Fixed amount per booking. • Fixed amount per booking.
4. ELECTRICAL SERVICE CONNECTION	
4.1 Service connections up to 30 metres	• Fixed amount per 30 metre.

FUNCTION	UNIT OF RETURN
10 mm ² x 2 core with standard credit meter.	<ul style="list-style-type: none"> Estimated cost based on a 30 metre connection plus a % levy for administrative costs.
4.2 Additional cable per meter – maximum 50 ampère (household).	<ul style="list-style-type: none"> Fixed amount per metre
4.3 Service connections more than 30 metres 16 mm ² x 2 core with standard credit meter.	<ul style="list-style-type: none"> Fixed amount per 30 metre Estimated cost based on a 30 metre connection plus a % levy for administrative costs.
4.4 Additional cable per metre – maximum 60 ampère (household) and 80 ampère (business).	<ul style="list-style-type: none"> Fixed amount per metre
4.5 Service connections up to 30 metres 16 mm ² x 4 core with standard credit meter.	<ul style="list-style-type: none"> Fixed amount per metre Estimated actual cost based on a 30 metre connection plus a % levy for administrative costs.
4.6 Additional cable per meter – maximum 3 x 40 ampère household and 3 x 80 ampère business	<ul style="list-style-type: none"> Fixed amount per metre
4.7 Erven with installed service connections.	<ul style="list-style-type: none"> Fixed amount per connection.
4.8 Single Relay – in areas where the geyser load management system is implemented, the applicant is responsible to install a load management relay for the control of the geyser.	<ul style="list-style-type: none"> Fixed amount per single relay
4.9 Double Relay - in areas where the geyser load management system is implemented, the applicant is responsible to install a load management relay for the control of the geyser	<ul style="list-style-type: none"> Fixed amount per double relay
4.10 Repair of cable and additional joint	<ul style="list-style-type: none"> Fixed amount per cable joint
4.11 Additional levy i.r.o tampering- In the case where tampering to electrical equipment caused an	<ul style="list-style-type: none"> Fixed amount

FUNCTION	UNIT OF RETURN
incorrect electricity usage registered through the meter, an additional levy for the upgrading of a connection will be payable by the registered consumer before reconnection. I.r.o. indigent households, the consumers will pay this additional levy before the service will be restored.	
4.12 Tampering Fees: In the case of tampering with electricity meters or where a consumer restored his or her own meter by breaking a seal, a tampering fee per meter is payable by the registered consumer before reconnection.	<ul style="list-style-type: none"> Fixed amount
5. SALE OF PREPAID ELECTRICAL METERS	
5.1 Pre-paid Single phase meter (programming included) – to service connection kWh maximum 100amp.	<ul style="list-style-type: none"> Fixed amount per application Actual purchase price plus % levy of administrative costs
5.2 Pre-paid Three phase meter (programming included) to service connection kWh maximum 100amp.	<ul style="list-style-type: none"> Fixed amount per application Actual purchase price plus % levy of administrative costs
5.3 Pre-paid 1-phase split meter (programming included)	<ul style="list-style-type: none"> Amount based on quotation
5.4 Pre-paid 3-phase split meter (programming included)	<ul style="list-style-type: none"> Amount based on quotation
6. SUNDRY SERVICES: ELECTRICITY DEPARTMENT	
6.1 Call-out fee payable for private queries and problems (municipal electrical supply or connections not included) <ul style="list-style-type: none"> Office hours After hours and Saturdays Public holidays and Sundays 	<ul style="list-style-type: none"> Fixed amount per call
6.2 Application by consumers for circuit breakers with a higher or lower rating per phase	<ul style="list-style-type: none"> Fixed amount per call

FUNCTION	UNIT OF RETURN
6.3 Services connections- connection for residential and business	• Fixed amount per connection
6.4 Testing of credit meter on request of consumer for accuracy: Single phase, three phase and maximum demand	• Fixed amount per application
6.5 Additions to service connections kWh maximum 100amp to- <ul style="list-style-type: none"> • Single phase credit meter with circuit breaker • Three phase credit meter with circuit breaker 	• Fixed amount per application
7. ELECTRICITY DEPOSIT	
7.1 Electricity deposit included in consumer services deposit (water, electricity, refuse removal and sewage).	• Fixed amount per consumer
7.2 Business – new consumers	<ul style="list-style-type: none"> • Double the amount of the average of the municipal account for three consecutive months i.r.o. electricity, water, sewerage and refuse removal. • The deposit for newly erected buildings will be based on an estimate of the expected charges i.r.o. the mentioned services.
8. WATER SERVICES CONNECTIONS	
8.1 15 mm connection – low cost housing	• Cost will be determined as per contract
8.2 15 mm connection – other connections	• Estimated actual cost plus % levy for administrative costs.
8.3 22 mm connection	• Estimated actual cost plus % levy for administrative costs.
8.4 Connections 22 mm private development	• Estimated actual cost plus % levy for administrative costs.
8.5 Testing of water meters	• Estimated actual cost plus % levy for administrative costs.
	• <u>Amount - Refundable if result is</u>

FUNCTION	UNIT OF RETURN
	<u>faulty</u>
8.6 Damages to service connections and reticulation – costs to be recovered	• Estimated actual cost plus % levy for administrative costs.
8.7 Tampering fee: In the case of tampering with water meter installations or where a consumer restored his or her own meter by breaking a seal, a tampering fee per meter is payable by the registered consumer before re-connection.	• Fixed Amount
9. SERVICES DEPOSIT	
9.1 Deposit included in consumer services deposit (water, electricity, refuse removal, sewage).	• Fixed amount per consumer
9.2 Letting of a municipal stand pipe	• Fixed amount per letting
10. SANITATION SERVICE CONNECTIONS	
10.1 100mm Sewerage connections - <u>PVC</u>	• Estimated actual cost plus % levy for administrative costs.
10.2 150 mm Sewerage connections - <u>PVC</u>	• Estimated actual cost plus % levy for administrative costs.
10.3 Damages to service connections and reticulation – costs to be recovered.	• Estimated actual cost plus % levy for administrative costs.
11. SUNDRY SERVICES SANITATION	
11.1 Emptying of sewerage tanks <u>from Monday to Thursday from 08:00 to 17:00 and Friday from 08:00 to 15:45 including Grotto Bay and Jakkalsfontein</u>	<ul style="list-style-type: none"> • Fixed sanitation levy <u>for 2 pumping per month</u> as applicable to residential or business premises excluding premises where french drains exist. • <u>For each pumping thereafter (from 3rd pumping) – Actual cost per suction.</u>
11.2 Emptying of sewerage tanks during Easter weekend and school holidays.	<ul style="list-style-type: none"> • Fixed sanitation levy for 3rd pumping per month • For each pumping thereafter

FUNCTION	UNIT OF RETURN
<p>11.3 Emptying of sewerage tanks (rural and non-urban areas, excluding Grotto Bay and Jakkalsfontein)</p> <p>11.4 Emptying of sewerage tanks after ordinary office hours: Monday – Thursday from 17h00 Friday from 15h45 to Monday morning at 08:00.</p> <p>11.5 Partial connections (pumping).</p> <p>11.6 Industrial effluent per kl (COD)</p> <p>11.7 Selling of treated waste water – all consumers, excluding Rooiheuvel JV treated waste water.</p> <p>11.8 Selling of treated waste water – Only for Rooiheuvel JV – they are responsible for the maintenance, repair and replacement of assets as well as for the operating cost – contract conditions.</p> <p>11.9 Sewerage blockages.</p> <p>11.10 Sewerage blockages according Municipal flats: 96 and 56</p> <p>11.11 Sewerage blockages (after hours) and Public holidays: Monday – Thursday from 17:00 Friday from 15:45 to Monday morning at 08:00.</p>	<p>(from 4th pumping) – Actual cost per suction.</p> <ul style="list-style-type: none"> Actual cost per suction Actual cost per suction Fixed cost per suction divided by two Estimated actual cost plus % levy for administrative costs As per agreement according the following components - depreciation rate per kilolitre, operating cost per kilolitre and energy cost per kilolitre as determined by the municipality annually Fixed amount as determined by the municipality annually Estimated actual cost plus % levy for administrative costs Free of charge Estimated actual cost plus % levy for administrative costs
<p>12. SANITATION DEPOSIT</p> <p>12.1 Deposit included in consumer services deposit (water, electricity, refuse removal, sewage).</p>	<ul style="list-style-type: none"> Fixed amount per consumer.

FUNCTION	UNIT OF RETURN
<p>13. SUNDRY ENGINEERING SERVICES</p> <p>13.1 Construction of single motor vehicle entrance – 3m².</p> <p>13.2 Construction of double motor vehicle entrance – 6m².</p> <p>13.3 Construction of motor vehicle entrance with storm water grid.</p> <p>13.4 Tarring and patch work.</p>	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost per m² plus % levy for administrative costs.
<p>14. CEMETERY FEES</p> <ul style="list-style-type: none"> Application for the preparation of grave must be done at least 2 days prior to the funeral date at/before 12h00 Weekend arrangements for funerals: Application for the preparation of a reserved grave – before/on Wednesday, 12h00 Covering of graves: The covering of graves will only be done during normal office hours <p>14.1 Single grave site – purchase price.</p> <p>14.2 Single grave – children under 12 years.</p> <p>14.3 Reservation of site.</p> <p>14.4 Applications for a single grave burial on approval from non-Swartland Inhabitants</p> <p>14.5 Reservation Application for a single grave burial on approval from Non-Swartland Inhabitants</p> <p>14.6 Digging of grave – 1.8m</p> <p>14.7 Covering of grave.</p> <p>14.8 Pointing out of grave site.</p> <p>14.9 Digging of double depth grave – 2.7m</p>	<ul style="list-style-type: none"> Fixed amount per site. Fixed amount per site. Fixed amount per site. Fixed amount per site – provides last residing address Fixed amount per site – provides last residing address Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Fixed amount per site. Estimated actual cost plus % levy

FUNCTION	UNIT OF RETURN
14.10 Opening of double depth grave.	for administrative costs.
14.11 Construction of brick lining:	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
<ul style="list-style-type: none"> single grave extra deep grave 	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Fixed amount per urn.
14.12 Wall of remembrance – purchases of storage space.	
14.13 Application for Availability of temporary toilets at Funerals	<ul style="list-style-type: none"> Fixed cost per availability quantity of temporary toilets at Funerals
15. SWIMMING POOL FEES	
15.1 Per ticket and per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.
15.2 Per seasonal ticket per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.
15.3 For galas – during the week per Class I or per Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per gala per Class I and II swimming pool
15.4 For galas – weekends (Saturdays and Sundays) per Class I or per Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per gala per Class I and II swimming pool
15.5 For 2/3 camp gatherings (max 3 hours) per Class I or Class II swimming pool – during week and weekends (Saturdays and Sundays)	<ul style="list-style-type: none"> Fixed amount per 2/3 camp gatherings per Class I and II swimming pool – during week and weekends (Saturdays and Sundays)
15.6 Season fee for clubs and schools 1 – 6 days per week per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per club or school per Class I or Class II swimming pool
15.7 Uplifting projects (non-exclusive usage max of 30 persons per day) per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per event per Class I or Class II swimming pool
15.8 Churches, Youth, Crèches, Sport Clubs – per person per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.

FUNCTION	UNIT OF RETURN
16. BUILDING PLAN FEES	
16.1 Minor building work.	<ul style="list-style-type: none"> Fixed amount per building plan.
16.2 Boundary walls.	<ul style="list-style-type: none"> Fixed amount per running metre.
16.3 Extension of validity period, <u>within 12 months.</u>	<ul style="list-style-type: none"> Fixed amount per application.
16.4 Extension of validity period after 12months	<ul style="list-style-type: none"> Fixed amount per m².
16.5 <u>Extension of validity period after 12months but before 24 months, but not less than minimum fees.</u>	<ul style="list-style-type: none"> <u>Fixed amount per m², less 50% of per m²</u>
16.6 Building plan fees: low cost housing.	<ul style="list-style-type: none"> Fixed amount per building plan
16.7 Additional building fees – Start building without approval – Step 1. : Capture the Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works
16.8 Additional building fees – Start building without approval – Step 2. : Follow-up the Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works
16.9 Additional building fees – Start building without approval – Step 3. : Legal Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works
16.10 List of approved building plans (annual fees).	<ul style="list-style-type: none"> Fixed amount per building plan
16.11 Approval of building plan fees.	<ul style="list-style-type: none"> Fixed amount per m².
16.12 Approve: Minimum building plan fees.	<ul style="list-style-type: none"> Fixed amount per building plan.
16.13 Approval of building plan fees: rural areas.	<ul style="list-style-type: none"> Fixed amount per m².
16.14 Approval: building plan fees (architectural design manual).	<ul style="list-style-type: none"> Fixed amount per m².
16.15 Issue of certificate of occupation i.t.o. A20 NBR for buildings where the total floor space is 500 square metres or less	<ul style="list-style-type: none"> Fixed amount for buildings where the total floor area is 500m² and smaller
16.16 Issue of certificate of occupation i.t.o A20 NBR for buildings where the total floor space is more than 500 square metres	<ul style="list-style-type: none"> Fixed amount for buildings where the total floor area is in excess of 500m²

FUNCTION	UNIT OF RETURN
17. LAND USE APPLICATIONS AND SUB-DIVISIONS: TARIFFS	
17.1 Advertising signs	<ul style="list-style-type: none"> • Fixed amount per sign.
17.2 Application fees- advertising signs erected without approval	<ul style="list-style-type: none"> • Fixed amount per application.
17.3 Show house signs (payable per annum)	<ul style="list-style-type: none"> • Fixed amount – annual, <u>excluded sign deposit</u>
17.4 Show house deposit	<ul style="list-style-type: none"> • Fixed amount per application.
17.5 Town plans: Drawings	<ul style="list-style-type: none"> • Fixed amount per black and white or coloured
17.6 Computerized area maps – per pdf.file	<ul style="list-style-type: none"> • Fixed amount per pdf.file
17.7 Application for re-zoning (not applicable to sub divisional area)	<ul style="list-style-type: none"> • Fixed amount per application.
17.8 Application for re-zoning (applicable to sub divisional area) additional amount per land use (open spaces and roads excluded)	<ul style="list-style-type: none"> • Fixed amount per application plus additional amount per land use.
<u>17.9 A permission required in terms of the zoning scheme - Section 25(2)(g)</u>	<ul style="list-style-type: none"> • <u>Fixed amount per permission</u>
<u>17.10 A determination of a zoning – Section 25(2)(m)</u>	<ul style="list-style-type: none"> • <u>Fixed amount per determination</u>
<u>17.11 An approval of an overlay zone as provided for in the zoning scheme – Section 25(2)(j)</u>	<ul style="list-style-type: none"> • <u>Fixed amount per approval</u>
<u>17.12 A permission required in terms of the conditions of approval – Section 25(2)(l)</u>	<ul style="list-style-type: none"> • <u>Fixed amount per permission</u>
<u>17.13 A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building – Section 25(2)(s):</u>	<ul style="list-style-type: none"> • <u>Fixed amount per permission</u>
17.14 Application for consent uses.	<ul style="list-style-type: none"> • Fixed amount per application. .
17.15 Application for Consent Use – (House Shops ONLY)	<ul style="list-style-type: none"> • Fixed amount for House Shops ONLY
<u>17.16 Application for Consent Use – Day Care Centre only</u>	<ul style="list-style-type: none"> • <u>Fixed amount per application for Day Care Centre</u>
	<ul style="list-style-type: none"> • Fixed amount per application.

FUNCTION	UNIT OF RETURN
17.17 Applications for extension of the validity period of approvals for re-zoning and consent uses.	<ul style="list-style-type: none"> • <u>Fixed amount per application.</u>
<u>17.18 Application for extension of validity period – Consent use – House shop / Day Care Centre only</u>	<ul style="list-style-type: none"> • <u>Fixed amount per extension period of a temporary departure</u>
<u>17.19 An extension of the validity period of an approval – Section 25(2)(i): (Of a temporary departure)</u>	<ul style="list-style-type: none"> • <u>Fixed amount per Subdivisions and Registration</u>
<u>17.20 Subdivisions and Registration of Servitude / Lease Agreement</u>	<ul style="list-style-type: none"> • Fixed amount per sub division until 10 erven. • Fixed amount per sub division above 10 erven per erf • <u>Fixed amount per phasing , amendment or cancellation of a plan of subdivision or a part thereof</u>
17.21 Applications for sub-division: <ul style="list-style-type: none"> • Until 10 erven • Plus: above 10 erven – per erf 	<ul style="list-style-type: none"> • Fixed amount per application.
<u>17.22 A phasing, amendment or cancellation of a plan of subdivision or a part thereof – Section 25(2)(k):</u>	<ul style="list-style-type: none"> • Fixed amount per application.
17.23 Application for extension of <u>validity</u> period of sub divisions	<ul style="list-style-type: none"> • Fixed amount per application.
17.24 Applications for departures: <ul style="list-style-type: none"> • erven < 500 m² • erven 501 m² – 750 m² • erven > 750 m² 	<ul style="list-style-type: none"> • Fixed amount per application. • Fixed amount per application. • <u>Fixed amount per application</u>
17.25 Application for departure (By-Law)	<ul style="list-style-type: none"> • Fixed amount per application. • Fixed amount per application.
17.26 Application for departure (House Shop ONLY)	<ul style="list-style-type: none"> • Fixed amount per application
17.27 An occasional use of land – Section 25(2)(p)	<ul style="list-style-type: none"> • Fixed amount per application.
17.28 Application for removal of restricting.	<ul style="list-style-type: none"> • Fixed amount per application.
17.29 Closure of Public Place	<ul style="list-style-type: none"> • Fixed amount per application.
17.30 Consolidation of Land Units	<ul style="list-style-type: none"> • Fixed amount per amendment /Cancellation.
17.31 Amendment/Cancellation of General Plan	<ul style="list-style-type: none"> • Fixed amount per exception • Fixed amount per application

FUNCTION	UNIT OF RETURN
<p><u>17.32 Exceptions (Section 24)</u></p> <p><u>17.33 Appeals</u></p> <p><u>17.34 Disestablish Home Owner's Association</u></p> <p><u>17.35 To rectify a failure by a home owner's association to meet its obligations in respect of the control over or maintenance of services</u></p> <p><u>– Section 25(2)(r);</u></p> <p>17.36 Cost of advertisements - payable with application (Spluma/Lupa/By-Law) (rezoning, sub-division, consent uses and departures) – Cost per single application – News papers</p> <p>17.37 Cost of advertisements – payable with application (Spluma/Lupa/By-Law)(rezoning, sub-division, consent uses and departures) – Combination application - – newspapers</p> <p>17.38 Cost of advertisements in regard to the advertising of applications for rezoning, sub-division, consent uses and departures– Provincial Gazette</p> <p>17.39 Postage Fees (Subject to Quantity postage)</p> <p>17.40 Issue of section 31 certificate (ord. 15/85).</p> <p>17.41 Issue of section 28 (BY-LAW)</p> <p>17.42 Amendment, deletion or imposition of conditions – application fee will only be considered if the application requires a public participation process)</p> <p>17.43 Amendment, deletion or imposition of conditions – application fee will only be considered if the application without a public participation process)</p> <p>17.44 Approval of a Constitution</p>	<ul style="list-style-type: none"> • Fixed amount per application • Fixed amount per application • Fixed amount per single application - newspapers. • Fixed amount per combination applications – cost per application type – news papers • Fixed amount per application – Provincial Gazette • Price per unit (subject to quantity postage) • Fixed amount per Erf • Fixed amount per Erf • Fixed amount per amendment, deletion or imposition if requires a public participation process • Fixed amount per amendment, deletion or imposition without a public participation process • Fixed amount per approval • Fixed amount per approval

FUNCTION	UNIT OF RETURN
<p>17.45 Approval of an architectural design manual</p> <p>17.46 Amendment of a constitution or an architectural design.</p> <p>17.47 Additional Fees for unauthorised land use – per day</p> <p>17.48 Determination of a Zoning – Replace name.</p> <p>17.49 CD for SDF.</p> <p>17.50 CD for Zoning Scheme Regulations.</p> <p>17.51 Application providing the reasons for the decision to the applicant taken by the Valuation Appeal Board – regarding the Property Rates Act (6 of 2004) section 53(2)</p> <p>17.52 Amendment of SDF (if required)</p> <p>18. CARAVAN PARK AND CHALETS: TARIFFS</p> <p>18.1 Camping sites for caravans and/or tents (out of season):</p> <ul style="list-style-type: none"> • limited to 4 persons per site. • more than 4 persons per site. <p>18.2 Camping sites for caravans and/or tents (in season):</p> <ul style="list-style-type: none"> • limited to 4 persons per site. • more than 4 persons per site. <p>18.3 Chalets (out of season)-</p> <ul style="list-style-type: none"> • limited to 6 persons per chalet <p>18.4 Chalets (in season)-</p> <ul style="list-style-type: none"> • limited to 6 persons per chalet <p>18.5 Entrance fees for visitors</p> <ul style="list-style-type: none"> • entrance fees for motor vehicles plus entrance fees per person. <p>18.6 Camping site without any facilities for cyclists with one-person tents.</p>	<ul style="list-style-type: none"> • Fixed amount per amendment or per design • Fixed amount per day after the closing date of the Final Notice. • Fixed amount per determination. • Fixed amount per CD. • Fixed amount per CD. • Fixed amount per application. • Fixed amount per amendment. • Fixed amount for 4 persons per night. • Fixed amount for each additional person per night. • Fixed amount for 4 persons per night. • Fixed amount for each additional person per night. • Fixed amount for 6 persons per night. • Fixed amount for 6 persons per night. • Fixed amount per person and per vehicle • Fixed amount per application per night.

FUNCTION	UNIT OF RETURN
18.7 Storage place for caravans. 18.8 Fees washing machines. 18.9 Fees payable at reservation Chalets – December/January Easter week-end Other periods Camping sites – December/January Easter week-end 18.10 Cancellation of reservations of chalets/camping sites. 18.11 Rebate for pensioners and groups: Pensioners- Groups: 10 – 15 caravans 16 – 25 caravans 26 – 50 caravans More than 50 caravans 18.12 Crockery of Chalets 18.13 Bedding of Chalets	<ul style="list-style-type: none"> • Fixed amount per storage place. • Fixed amount per wash. • 100% of amount payable for reserved period • 100% of amount payable for reserved period • 100% of amount payable for reserved period • The amount payable for the reserved period less 10% forfeit fee. • 40% for persons 60 years and older during “out of season” period. 10% rebate. 15% rebate. 20% rebate. 25% rebate. • Fixed cost per item • Fixed cost
19. <u>DISPLAY OF POSTERS AND/OR BANNERS ON MUNICIPAL COMMONAGE</u>	
<u>19.1 Deposit payable for Events of a Non-Commercial nature (Religious, sport, tourism etc.).</u>	• <u>Refundable deposit payable per event</u>
<u>19.2 Deposit payable for Election purposes, by political parties for National and Provincial Elections and Local Government Elections (Excluding By-Elections).</u>	• <u>Refundable deposit payable per ward</u>
<u>19.3 Deposit payable for Election purposes by political parties for By-Elections.</u>	• <u>Refundable deposit payable irrespective of the number of wards</u>
<u>19.4 Charge payable for display of posters, banners for Election purposes</u>	• <u>Fixed non-refundable charge payable by political parties</u>

FUNCTION	UNIT OF RETURN
<u>19.5 Levy for the non-removal of posters/banners on due date.</u>	• <u>Fixed amount payable per poster/banner</u>
20. <u>AD HOC LETTING OF COMMONAGE, CAMPING SITES, HAWKERS AREA</u>	
20.1 <u>Hiring</u> of circus sites.	<ul style="list-style-type: none"> • Fixed amount per reservation per day. • <u>Fixed amount per hiring per day</u>
20.2 <u>Hiring of Riebeeck Kasteel Town Square.</u>	
20.3 Hiring of open spaces for church services. <u>Chemical toilet must be provided.</u>	<ul style="list-style-type: none"> • <u>Fixed amount per reservation per day or part of a day. Chemical toilet provided by Lessee at own cost</u> • Fixed amount per site.
20.4 <u>Hiring of</u> site for merry-go-round.	
20.5 <u>Use of coastal area and/or other municipal open spaces in respect of:</u>	• <u>Fixed amount per reservation type per day.</u>
<ul style="list-style-type: none"> • <u>Film shooting</u> • <u>Still photos</u> • <u>Weddings</u> • <u>Other</u> 	
20.6 Hiring of hawkers' sites. <u>(Open spaces)</u>	• <u>Fixed amount per site</u>
20.6 Cancellation of sports grounds lease	• Actual cost plus 15% of seasonal fees
21. <u>APPLICATION FOR EXTENDED TRADING HOURS i.t.o. SECTION 9(1) OF BY-LAW TO LIQUOR TRADE</u>	
<u>21.1 Application for extended trading hours i.t.o Section 9(1) of By-Law to Liquor Trade</u>	• <u>Fixed amount per application</u>
22. <u>TRAFFIC DEPARTMENT: TARIFFS FOR TRAFFIC SERVICES</u>	
22.1 <u>Issuing of Disabled Sticker</u>	• <u>Free of Charge per issuing of a disabled sticker</u>

FUNCTION	UNIT OF RETURN
22.2 Test – Brake and light testing for light motor vehicles	• Fixed amount per test, per light vehicle
22.3 Test – Brake and light testing for heavy motor vehicles	• Fixed amount per test, per heavy vehicle
22.4 Escorting of vehicles through town.	• Fixed amount per hour per officer.
22.5 Rendering of services to bodies such as sporting clubs, funeral escorts, festivals and similar services, etc.	• Fixed amount per hour per officer per occasion.
22.6 Closing of any Swartland Municipal road(s) for any private or tourism activities, excluded matric farewell	• Fixed amount per road closing application
23. HARBOUR AND FISH MARKET, YZERFONTEIN: TARIFFS	
23.1 Use of harbour facilities - all boats.	• Fixed amount per service.
23.2 Entrance fees for motor vehicles.	• Fixed amount per motor vehicle.
23.3 Entrance fees payable in regard to the use of the fish market facilities.	• Fixed amount per service.

9. Notification of tariffs, fees and service charges

- (1) The municipality must give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- (2) A notice stating the purport of the council resolution and the date on which the new tariffs shall become operational, must be displayed by the municipality at a place designated for that purpose.

SWARTLAND MUNICIPALITY

INDIGENT POLICY

REVIEWED AND AMENDED

MAY 2017

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1. Definitions

In this policy, unless the context indicate otherwise –

"account" includes –

- a) levies, surcharges or service charges in respect of the following services:
 - i. electricity consumption;
 - ii. water consumption;
 - iii. refuse removal;
 - iv. sewage services;
- b) rates;
- c) rental;
- d) loan instalments
- e) interest on arrears;
- f) any other levies and money owing to the Municipality;

and "municipal account" has a corresponding meaning;

"arrears" means any amount due and payable to the Municipality which has not been paid on or before the date of payment;

"child-headed household" means a household where both parents are deceased and where all the occupants of the property are children of the deceased and are younger than 18 years old, i.e. a child-headed household is a household consisting only of children;

"household" means a registered owner or tenant with or without children who reside on the same premises;

"illegal practises" any practise or trade exercised on premises which is in contravention of any National or Provincial legislation or any by-laws or regulations of the municipality;

"indigent household" means a household, including a child-headed household, registered as such with the Municipality and which –

- a) complies with the qualification requirements in paragraph 2 hereof, , provided that foster and child support grants are not included when calculating such household income;
- b) occupies premises within the area of jurisdiction of the municipality;

"municipality" means the Swartland Municipality established in terms of Section 21 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorized agent or any employee acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"municipal services" means the provision of water and electricity, the removal of domestic waste, the disposal of sewage or any one combination of these services;

"municipal valuation" means the value of the property as determined in terms of the Property Rates Act, 6 of 2004;

"occupier" means the person residing in or using the property as its owner or tenant;

"owner" in relation to immovable property means –

- a) the person in whom is vested the legal title thereto provided that –
 - i. the lease of immovable property which is leased for a period of not less than fifty years, whether lease is registered or not, shall be deemed to be owner thereof, and
 - ii. the occupier of immovable property occupied in terms of a service or right analogous thereto shall be deemed the owner thereof;
- b) if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- c) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- d) if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;
- e) if the owner is deceased and the family or a member on behalf of the family issues an affidavit that the occupier are the legal benefice of the estate;

"premises" means any piece of land, the external surface boundaries of which are delineated on –

- a) a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);
- b) a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;

"prepayment electricity meter" means a type of electricity meter that requires consumers to pay for energy before using it and that will allow the flow of the pre-purchased amounts of energy in an electrical circuit;

"Property Rates Act" means the Local Government: Property Rates Act, 6 of 2004;

"tenant" means any person other than the main family members described as a household, occupying the premises, i.e. a lodger, lessee, paying guest etc.

"water demand management meter" means a device designed to manage the water flow, water consumption or water needs of a residential property.

2. Qualification criteria for financial assistance

2.1 Financial assistance may be granted by the municipality to a household that meets the following criteria:

- a) *where the property occupied by such owner is valued at R95 000.00 or less, or as determined by council annually, provided that the R15 000.00 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R95 000.00 and the combined income of all the persons residing on the property does not exceed R4 515.00; or*
- b) *where the property that is occupied by the owner is valued at more than R95 000.00, but the combined income of all the persons residing on the property does not exceed R4 515.00; or*
- c) *where the occupier is not the owner of the property and the combined income of all the persons residing on the property does not exceed R4 515.00.*

2.2 The Director: Financial Services may increase the income limitation in sub paragraph 2.1 where extraordinary circumstances prevail, such as –

- (a) where a large number of the persons residing on the property are without any income; or
- (b) where they have to care for dependents or family members who are handicapped or who suffer from chronic or terminal illness; or
- (c) where elderly persons reside with an income that does not exceed an amount that is equal to or less than twice the age grant paid by the Government to qualifying beneficiaries as from time to time determined by the Minister of Welfare.

2.3 The applicant must be a resident of the municipal area of jurisdiction.

2.4 The applicant must receive the municipal services and be registered as an account holder on the municipal financial system.

2.5 The applicant, their spouse or legal children who reside with their parents may not be the legal owners of other immovable property

2.6 If the applicant is a seasonal worker the income limits shall be calculated over a period of one year to approximate a monthly income.

2.7 Households that are child headed, can apply for financial assistance when –

- a) the parents of the household has died;
- b) a minor has assumed the role of care giver in respect of another minor in the household;
- c) the main caregiver of the household is younger than 18 years of age;
- d) such minors reside permanently on the property;

e) the situation pertaining to the household must be verified in writing by a registered Social Worker and Ward Councillor.

2.8 The onus for applying for financial assistance rest with the occupier who cannot afford to pay the full municipal tariff for municipal services received.

2.10 An application shall be accompanied by the following particulars –

- a) certified copies of all occupants' identity documents;
- b) certified documentary proof of income, or an affidavit declaring lack of income and/or proof of registration as unemployed and bank statement (where applicable);
- c) particulars of any other grants received by the occupants.

3. Appropriation of financial assistance

3.1 Subject to sustainability and affordability, financial assistance to an indigent household shall be appropriated as follows –

- (a) 50 kWh electricity per month;
- (b) sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- (c) fees for waste removal;
- (d) 6 kl water per month;
- (e) rates payable to a maximum amount calculated at the tariff multiplied by R95 000.00.

3.2 The municipality shall, annually during the budget process, revise the financial assistance given to indigents.

4. Free bulk services

4.1 Free bulk services shall be the provision of services (water stand pipes, high mast lighting and refuse removal) to informal settlements.

4.2 The cost of the provision of free bulk services is recovered form the Equitable Share Allocation form National Government.

5. Excess usage of allocation and arrear municipal accounts

5.1 If the level of consumption of the indigent household exceeds the consumption level provided by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the municipality's credit control and debt collection measures.

5.2 If the level of consumption or use of a municipal service is less than the subsidized service, the unused portion shall not be transferable from one month to another.

5.3 The municipality reserves the right to install a prepaid electricity meter on a property that is occupied by an indigent household, where the electricity supply has been disconnected for non-payment or tampering, or where the electricity usages are excessive and not affordable, in which case the meter remains the property of the municipality.

5.4 The municipality may withhold or limit the units purchased for a prepayment electricity meter or offset a portion of any payment against arrears as a result of non-payment of the municipal account in the case of excess consumption.

5.5 The municipality reserves the right to install a water demand management meter on a property that is occupied by an indigent household and located in an area where Eskom is the service provider, or for non-payment or tampering, or where the water usages are excessive and not affordable, in which case the meter remains the property of the municipality.

5.6 The cost of the replacement of a conventional electricity meter with a prepayment electricity meter, as well as the cost of the installation of a water demand management meter on a property, will be recovered from the Equitable Share Allocation from National Treasury.

6. Processing and verifications of applications

6.1 The application for financial assistance will be registered and the information of the indigent beneficiaries will be contained in an indigent register.

6.2 The indigent register, together with the applications and required documentation will be maintained with due consideration of the Protection of Personal Information Act, 4 of 2013.

6.3 The municipality may, when deemed necessary and subject to capacity, conduct audits to verify the information furnished or possible changes in the status of applicants.

6.4 The frequency of such audits will depend on the institutional capacity of the municipality to do so.

7. Cancellation of financial assistance

7.1 All steps necessary must be taken to prevent unlawful access to financial assistance as an indigent and for this reason the Director: Financial Services may, at any time, investigate the financial circumstances of an indigent and may –

- (a) request documentary proof or information pertaining to the income or lifestyle of persons residing on the property;
- (b) verify the information furnished by a household or member thereof by conducting interviews with and the taking of statements from such members or any other person;
- (c) after proper notice, review or cancel the household's financial assistance if –
 - i. illegal practises are present on the premises which include, but are not limited to –
 - (a) building operations without approval;
 - (b) business or commercial uses in contravention of the Town Planning Scheme Regulations; or
 - (c) dealing in liquor or prohibited substances;
 - ii. false information had been furnished in an effort to obtain or retain financial assistance; or
 - iii. circumstances have changed to such an extent that the household no longer complies with one or more of the requirements mentioned in paragraph 2.

7.2 In case of cancellation of financial assistance in terms of paragraph 8.1 (c) the household shall forfeit all financial assistance with immediate effect and the municipality shall be entitled to re-claim the financial assistance granted to him or her –

- (a) from the date it was originally granted where sub paragraph 8.1 (c) (i) applies; or
- (b) from the date on which the circumstances referred to in sub paragraph 8.1 (c) (ii) changed or, if such date cannot be determined, from the date on which it was established that the owner or tenant no longer complied with the qualifying requirements.

7.3 An indigent whose indigent support has been cancelled, shall at the discretion of the Director: Financial Services, be reconsidered for support if the circumstances leading to the cancellation have been rectified.

8. Short title and commencement

This policy is the Indigent Policy of Swartland Municipality and will come into effect on 1 July 2017.

SWARTLAND MUNICIPALITY

CASH MANAGEMENT AND INVESTMENT POLICY

**REVIEWED AND NOT AMENDED
MAY 2017**

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

now therefore the Swartland Municipality adopts the cash and investment management policy set out in this document.

CASH MANAGEMENT AND INVESTMENT POLICY

DEFINITIONS

For the purpose of this policy any word or expression to which a meaning has been assigned in the Act shall bear the same meaning in this policy and, unless the context indicates otherwise, means:–

“Chief financial officer” an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

“Councillor” a member of a municipal council.

“Current assets” -

- debtors;
- cash;
- stock; and
- the short-term portion of long-term debtors.

“Current liabilities” –

- creditors;
- bank overdrafts and
- short-term portion of long-term liabilities

“Investments” funds not immediately required for the defraying of expenses and invested at approved financial institutions.

“Municipal Manager” the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in this position or to whom authority was delegated;

“Municipal stock” the stock certificate issued by the municipality as proof of a long-term fixed period loan of which the capital is repayable at the end of the period while interest is payable at predetermined intervals at a fixed rate.

“Negotiable certificate” a loan certificate that is tradable on the capital market.

“Net current assets” is the difference between current assets and current liabilities.

“Public funds” all monies received by the municipality to perform the functions allocated to them.

“Short-term portion of long-term debtors” refers to the capital installments of long-term debtors due and payable in the next financial year.

“Short-term portion of long-term liabilities” refers to the capital repayment of long-term loans due and payable in the next financial year.

OBJECTIVES

2. (1) The objectives of a cash management and investment policy are:-
 - (a) to give effect to the provisions of Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Regulation R308 as published in Government Gazette 27431 of 1 April 2005 read in conjunction with the provisions of the cash management and investment policy of the Swartland Municipality;
 - (b) to manage the net current asset requirement of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;
 - (c) to manage the financial affairs of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and

- (d) to gain the highest possible return on investments, without incurring unnecessary risk, during periods when excess funds are not required for capital or operational purposes.

SCOPE OF THE POLICY

- 3. (1) The policy deals with-
 - (a) responsibility/accountability;
 - (b) management of net current assets;
 - (c) investment instruments;
 - (d) investment ethics and principles;
 - (e) investment procedures;
 - (f) other external deposits;
 - (g) control over investments;
 - (h) short title.

RESPONSIBILITY/ACCOUNTABILITY

- 4. (1) The municipal manager as the accounting officer of the municipality is accountable for cash management and investments.
- (2) The Municipal Council is the trustee of the public revenues, which it collects, and therefore has an obligation to the community to ensure that cash resources are managed effectively and efficiently. The Council also has a responsibility to invest these cash resources knowledgeably and judiciously/ sensibly/ wisely, and must be able to account fully to the community in regard to such investments.
- (3) The Municipal Council must establish an appropriate policy with prescribed procedures, processes and systems required to ensure efficient and effective management of cash and investments. The Municipal Manager must review the Cash Management and Investment policy annually and, if amended, submit it to Council for approval.

- (4) Efficient and effective management include:-
 - (a) collecting revenue when it is due;
 - (b) banking and depositing monies on a daily basis;
 - (c) making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical service delivery and the creditor's normal terms for account payments;
 - (d) avoiding pre-payment for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier;
 - (e) accepting discounts for early payments when the payments have been included in the monthly cash flow estimates for each department and supplied to the chief financial officer;
 - (f) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the municipality are collected and banked promptly;
 - (g) accurately forecasting the municipality's cash flow requirements;
 - (h) timing of in- and outflow of cash;
 - (i) recognising the time value of money;
 - (j) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; and
 - (k) avoiding bank overdrafts.

MANAGEMENT OF NET CURRENT ASSETS

- 5. (1) Cash management includes the management of net current assets which entail:-
 - (a) debtors;
 - (b) cash;
 - (c) stock;
 - (d) short-term portion of debtors;
 - (e) creditors;

- (f) bank overdraft;
- (g) provisions; and
- (h) short-term portion of liabilities.

Debtors

- (2) The municipal council must set a target for debt collection based on the performance of the municipal manager during the last financial year.
- (3) The target must be expressed as a percentage of potential income and/or the turnover rate of debtors.
- (4) All monies owing to the council must be correctly reflected in the debtors system.
- (5) All funds due to the council must be collected timeously and banked on a daily basis.
- (6) Large sums of money received must be deposited into the bank account on the same day that payments are received.
- (7) Extension for payment of rates and service charges must only be given in terms of the municipality's credit control and debt collection by-law and in exceptional circumstances.
- (8) Monies collected by other agencies on behalf of the municipality shall be collected and paid over to the municipality or deposited in the bank account of the municipality in a manner prescribed by the Municipal Manager and as agreed upon by way of a written agreement between the municipality and the agency concerned.

Receipt of money over the counter

- (9) Every amount of payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by issuing a numbered official receipt.
- (10) Receipts that are cancelled will be reattached in the correct place in the receipt book by means of glue. Information on both the original as well as the copy must be visible and a reason for the cancellation stated.
- (11) Where computer generated receipts are used the original must be filed for audit purposes.
- (12) The Cashier must compile a daily balance of all cash collected. Surpluses and shortages must be indicated as such. Shortages must be paid in on completion of the reconciliation by the Chief Clerk or as soon as possible afterwards. Cash must be banked according to prescribed/ approved arrangements.

Receipt of Money by Post

- (13) When money (including postal orders and cheques) is received by mail or over the counter at the Registry Office, the Registry Clerk shall record all payment remittances electronically as and when received in the cheque register on the Collaborator system. The entry is released by the Administrator, Records & Archives as witness that the money/ cheque/ postal order has been received.
- (14) Post-dated cheques received by mail must also be recorded in the electronic cheque register.
- (15) The cheque/ postal order with the relevant supporting documents are scanned and entered into the Collaborator system and forwarded to the Chief Clerk: Cashiers. The documents are posted in the "Inbox" of the Chief

Clerk and when opened it is electronically recorded as received.

- (16) The Registry Clerk must physical handover the cheque/ postal order/ cash to the designated official in the finance section (Chief Clerk's Office: Cashiers) whom will on receipt of the cheque register together with the remittances, will code all remittances and submit it to the cashier for receipting.
- (17) The Chief Clerk: Cashiers must exchange postal order for cash at the Post Office on the same day or no later than the next working day after it has been received from the Registry Clerk.
- (18) The Chief Clerk: Cashiers must handover cash under control by ensuring that a cash receipt is immediately issued or that a signature is obtained when cash is handed over.
- (19) The cashier will receipt all remittances and issue official receipts to the designated official in the Chief Clerk's Office: Cashiers.
- (20) The designated official will record the receipts against the relevant entry in the electronic cheque register and forward it to the "Inbox" of the Registry Office.
- (21) The registry clerk must ensure that a receipt number is recorded against each entry in the cheque register.
- (22) The Administrator, Records & Archives must obtain an exception report on a weekly basis of all payments received by post which have not yet been accounted for. These exceptions must immediately be followed-up and cleared.
- (23) All documents relating to remittances received in the mail must be filed for audit purposes.
- (24) A register for post dated cheques must be maintained by the registry clerk on Collaborator and send to the "Inbox" of the Chief Clerk: Cashiers which distribute the register to the various cashiers.

- (25) The cashiers will ensure that the cheque is stored in a strong room and when it becomes due, are promptly receipted, and the receipt numbers recorded in the electronic post dated cheque register.

Management of cash

- (26) All monies due to the municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis. Over week-ends and public holidays monies must be banked on the next working day. Where huge amounts are collected after monies have been banked on Fridays or on days prior to a public holiday, these monies must also be deposited prior to the closer of the bank.
- (27) The cash holding of the municipality must be kept at the minimum level required to finance the day to day operations of the municipality.

Access to Cashiers Offices/ Workstations/ Booths

Handling and Safeguarding of Cash:

- (28) The cash office must be fitted with a lockable door and lockable money drawer. During business hours, all forms of cash must be stored/ safeguarded in lockable drawers, cash registers and/or cash boxes.
- (29) The cash office must remain locked at all times, irrespective of whether the Cashier is present or not.
- (30) All monies received must be locked in the locker during meal hours and in safe overnight and over week-ends.
- (31) The cashier should have complete control and responsibility for the cash they collect during business hours.
- (32) Access to areas where cash is collected/paid/stored/safeguarded is restricted and limited to only those employees who need access, and have been designated to have access, which would be the Cashier handling the

money and the direct Supervisor/Authorised Official performing reconciliations and checks.

- (33) Any other Officials/ Auditors must request documents from the Supervisor/ Authorised Official who will enter the Cashier's office/ area, to collect the appropriate documents, and hand it over to the officials/ auditors. These documents must be handed over and returned under control to prevent documents being lost.
- (34) Cash Offices must be restricted by means of the biometrics system (where possible) to prevent unauthorised access. The restriction of cash offices is to prevent the continuous movement of staff not handling cash or serving the public. Cashiers need to concentrate to prevent cash shortages which they are held responsible for.
- (35) Cash may only be accepted at Cash Offices of the municipality, registered vendors and by authorised Credit Control officials in Kalbaskraal, Riverlands and Koringberg.
- (36) All keys must remain in the possession of the staff responsible and must not be relinquished for whatever reason.
- (37) Written acknowledgements must be obtained for all keys and monies handed over to the Supervisor or any other authorised staff members.
- (38) The relevant authorised official /Supervisor must supervise the cash activities on a daily basis.
- (39) The cashier must compile a daily cash summary. This cash on hand per the summary must match the actual cash on hand.
- (40) The day end cash balance and money must be safeguarded in the safe till deposited in accordance with approved cash arrangements.

Management of Stock

- (41) Adequate control must be exercised over all goods received, the storage and issuing of goods kept in stock in order to improve cash management.

- (42) Minimum and maximum stock levels, reordering procedures, turnover rate of stock items must be reviewed quarterly to ensure that funds are not unnecessarily tied up in stock.
- (43) A stock register, reflecting the under-mentioned detail must be kept and updated daily:-
 - (a) item description;
 - (b) stores code number;
 - (c) transaction date;
 - (d) goods received –
 - (i) goods delivery note number;
 - (ii) number of items received; and
 - (iii) value of items received.
 - (e) goods issued-
 - (i) requisition number; and
 - (ii) number of items issued.
 - (f) balance of items in stock.
- (44) Stock counts must be affected monthly and an annual report reflecting stock shortages and surpluses must be submitted to council on the 30 June of each financial year.
- (45) All surpluses and shortages must be explained by the relevant head of department.

Short-term portion of debtors

- (46) The periodical payments relating to long-term debtors must be raised and recovered monthly / biannually.

Payment of Creditors

- (47) The chief financial officer shall ensure that all tenders and quotations invited by and contracts entered into by the municipality stipulate payment terms favourable to the municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the municipality. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment.
- (48) Payments to creditors must be limited to one payment per creditor per calendar month of which such processing will take place on or about the end of the month concerned. Wherever possible, payments shall be effected by means of electronic transfers rather than by cheques. Special payments to creditors shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end processing.
- (49) In the case of small, micro and medium enterprises (BBBEE), where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the Chief Financial Officer before any payment is made.
- (50) Discounts for early settlement must be considered and utilised.
- (51) Credit statements must be reconciled monthly.
- (52) Payment must only occur on receipt of a statement of which the original company invoices can be linked to official orders that were issued prior to the company's invoice date and certified goods received notes. Copies of invoices must be certified by creditors as a true copy of the original and Payment Clerks must ensure that payment has not yet occurred for these invoices.

- (53) In exceptional cases and with the prior approval of the Chief Financial Officer, payments can be made on invoice for smaller suppliers. Refer to section 32 above.

Management of bank overdraft

- (54) All debt shall be raised in strict compliance with the requirements of clause 45 to 47 of the Municipal Finance Management Act 2003, and only with the prior approval of the council.
- (55) A bank overdraft may only be obtained in anticipation of a positive income stream or to finance capital projects in anticipation of an approved capital grant or long-term loan.
- (56) The bank overdraft must be repaid at the end of each financial year.
- (57) The council can only approve a bank overdraft on the submission of a cash flow statement indicating the anticipated income stream or a certificate stating the approved grant or long-term loan.
- (58) The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council.
- (59) A municipality may incur long-term debt only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution.

Provisions

(60) Provisions for known short-term liabilities must be made for each municipal order issued.

(61) Sufficient cash must be available when payments are due.

Short-term portion of long-term liabilities

(62) Loan installments due in the next financial year must be provided for in the financial statements.

(63) Sufficient cash must be available when payments are due.

INVESTMENT INSTRUMENTS

6. (1) A municipality or municipal entity may invest funds only in any of the following investments types as may be appropriate to the anticipated future need for the funds-

- (a) securities issued by the national government;
- (b) listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
- (c) deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- (d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No.45 of 1984);
- (e) deposits with the Corporation for Public Deposits as contemplated by the Corporation of Public Deposits Act, 1984 (Act No.46 of 1984);
- (f) bankers, acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990; (Act No. 94 of 1990)
- (g) guaranteed endowment policies with the intention of establishing a sinking fund;
- (h) repurchase agreements with banks registered in terms of the Banks

Act, 1990;

- (i) municipal bonds issued by the municipality; and
- (j) any other investment type as the minister may identify by regulation in terms of section 168 of Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) in consultation with the Financial Services Board.

INVESTMENT ETHICS AND PRINCIPLES

- 7. (1) The municipal manager will be responsible for the investment of funds, and he/she, with due regard for the provisions of the Municipal Finance Management Act, 2003 and in compliance with any policy directives formulated by the council, has to steer clear of outside interference, regardless of whether such interference comes from individual councilors, investment agents or institution or any outside parties.
- (2) Under no circumstances may he/she be forced or bribed into making an investment.
- (3) No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill and in this regard the municipality's standing resolutions have to be observed
- (4) Particulars of gifts received, as described in the municipality's standing resolutions, have to be recorded in a register held for that purpose.
- (5) Long- term investments should be made with an institution of minimum BBB rating (where BBB refers to lower risk institutions).
- (6) Short- term investments should be made with an institution of minimum B rating (where B refers to higher risk institutions).
- (7) Where large sums of money are available for investment the Municipal Manager shall ensure that it is invested with more than one institution.

- (8) Investments shall only be made at institutions which have branches in the jurisdiction of the Swartland Municipality wherever practicable, in order to limit the risk exposure of the municipality.
- (9) The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).
- (10) The council may not borrow money to invest.
- (11) Should the municipal manager invest with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act No. 94 of 1990 and that they are approved financial institutions - as approved by the Reserve Bank, from time to time.
- (12) When making growth related investments, the municipal manager must guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

INVESTMENT PROCEDURES

8. (1) After determining whether there is cash available for investment and fixing the maximum term of investment, the municipal manager must consider the way in which the investment is to be made.

Short-term investments (i.e for a term up to a maximum of 12 months)

- (2) Quotations should be obtained from a minimum of three financial institutions, for the term of which the funds will be invested.
- (3) Should one of the institutions offer a better rate for a term, other than the term which the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

- (4) Quotations can be obtained by e-mail or facsimile as rates generally change on a regular basis and time is a determining factor when investments are made.
- (5) The person responsible for requesting quotations from institutions must record the following:-
 - (a) name of institution;
 - (b) name of person quoting rates;
 - (c) period of the investment;
 - (d) relevant terms; and
 - (e) other facts i.e. is interest payable monthly or on maturation date.
- (6) Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.
- (7) The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.
- (8) The investment capital must only be paid over to the institution with which it is to be invested and not to an agent.
- (9) The financial institution where the investment is made must issue a certificate stating the details of the investment.
- (10) The municipal manager must make sure that the investment document received is a genuine document and issued by the approved institution.
- (11) The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.
- (12) The municipal manager must within 10 working days of the end of each

month submit to the mayor of the municipality a report describing, in accordance with generally recognised accounting practice, the investment portfolio of that municipality at the end of the month.

- (13) The report referred to in 8 (12) must set out at least:
- (a) the market value of each investment as at the beginning of the reporting period;
 - (b) any changes to the investment portfolio during the reporting period;
 - (c) the market value of each investment as at the end of the reporting period; and
 - (d) fully accrued interest or yield for the reporting period.
- (14) Where money is kept in current accounts, the municipality must bargain for more beneficial rates.
- (15) The municipal manager must ensure that the financial institution where the investment is to be made is creditworthy and the performance of the institution is to his/her satisfaction, before investing money in the institution.
- (16) The municipal manager must obtain information from which the creditworthiness of financial institutions can be determined. The information obtained must be analysed annually.

Long-term investments (i.e for a term more than 12 months)

- (17) At least three written quotations must be obtained for all investments made for periods longer than twelve months.
- (18) All long-term investments are also subject to the provisions contained in paragraphs 8(3), 8(6), 8(7), 8(8), 8(9), 8(10), 8(11), 8(12), 8(13), 8(15) and 8(16) of this document.
- (19) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

OTHER EXTERNAL DEPOSITS

9. (1) The principles and procedures set out above must apply to other investment possibilities, subject to the applicable legislation, which is available to the council, including debentures and other securities of the state as well as other municipalities or statutory bodies in the republic, instituted under and in terms of any law.

CONTROL OVER INVESTMENTS

10. (1) An investment register should be kept of all investments made. The following facts must be recorded:
- (a) name of institution;
 - (b) capital invested;
 - (c) date invested;
 - (d) interest rate;
 - (e) maturation date;
 - (f) interest received;
 - (g) capital repaid; and
 - (h) balance invested.
- (2) The investment register and accounting records must be reconciled on a monthly basis.
- (3) The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks. It must then be established as what to do with the funds, bearing in mind the cash flow requirements.
- (4) Interest, correctly calculated, must be received timeously, together with any distributable capital.
- (5) The municipal manager must check that the interest is calculated correctly.

- (6) The Chief Financial Officer shall ensure that all investment documents and certificates are properly secured. The following documents must be safeguarded-
- (a) fixed deposit letter or investment certificate;
 - (b) receipt for capital invested;
 - (c) copy of electronic transfer or cheque requisition;
 - (d) excel schedule of comparative investment figures;
 - (e) commission certificate indicating no commission was paid on the investment; and
 - (f) interest rate quotations.

SHORT TITLE

11. The short title of this policy is the investment and cash management policy of the Swartland Municipality



SWARTLAND MUNICIPALITY

ASSET MANAGEMENT POLICY

**REVIEWED AND AMENDED
MAY 2017**

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PREAMBLE

Whereas section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) determines that a municipal council may not dispose of assets required to provide minimum services, and whereas the Municipal Asset Transfer Regulations (Government Gazette 31346 dated 22 August 2008) has been issued,

- and whereas the Municipal Council of Swartland Local Municipality wishes to adopt a policy to guide the municipal manager in the management of the municipality's assets,

- and whereas the Municipal Manager as custodian of municipal funds and assets is responsible for the implementation of the asset management policy which regulate the acquisition, safeguarding and maintenance of all assets,

- and whereas these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes,

- now therefore the Municipal Council of the Swartland Local Municipality adopts the following asset management policy:

ABBREVIATIONS AND DEFINITIONS

AM	Asset Management
AMS	Asset Management System
AR	Asset Register
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Standards of Generally Recognised Accounting Practice
IA	Intangible Assets
IAR	Infrastructure Asset Register
IDP	Integrated Development Plan
IIMM	International Infrastructure Management Manual
IP	Investment Property
LM	Local Municipality
MFMA	Municipal Finance Management Act
MSA	Municipal Services Act
NT	National Treasury
OHSA	Occupational Health and Safety Act
PPE	Property, Plant and Equipment
SDBIP	Service Delivery and Budget Implementation Plan

Accounting Officer means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act 2000 (Act no. 32 of 2000).

Agricultural Produce is the harvested product of the municipality's biological assets.

Biological Assets are defined as living animals or plants.

Capital Assets (assets) are items of Biological Assets, Intangible Assets, Investment Property or Property, Plant or Equipment defined in this Policy.

Carrying Amount is the amount at which an asset is included in the statement of financial position after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.

Chief Financial Officer (CFO) means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.

Community Assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciable Amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair Value is the amount for which an asset could be exchanged or a liability between knowledgeable, willing parties in an arm's length transaction.

GRAP are standards of Generally Recognised Accounting Practice.

Heritage Assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

Infrastructure Assets are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

Intangible Assets are defined as identifiable non-monetary assets without physical substance.

Investment Properties are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

Land and Buildings are defined as a class of PPE when the land and buildings are held for purposes such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

MFMA refers to the Local Government: Municipal Finance Management Act (Act no. 56 of 2003).

Other Assets are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, Plant and Equipment (PPE) are tangible assets that:-

- (a) Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) Are expected to be used during more than one period.

Recoverable Amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.

Recoverable Service Amount is the higher of a non-cash generating asset's fair valueless cost to sell and its value in use.

Residual Value is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Useful Life is:-

- (a) The period of time over which an asset is expected to be used by the municipality; or
- (b) The number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

1. OBJECTIVE

The MFMA was introduced with the objective of improving accounting in the municipalities sector in keeping with global trends. Good asset management is critical to any business environment whether in the private or public sector. In the past municipalities used a cash-based system to account for assets, whilst the trend has been to move to an accrual system. With an accrual system the assets are incorporated into the books of accounts and systematically written off over their anticipated lives. This necessitates that a record is kept of the cost of the assets, the assets are verified periodically, and the assets can be traced to their suppliers via invoices or other such related delivery documents. This ensures good financial discipline, and allows decision makers greater control over the management of assets. An Asset Management Policy should promote efficient and effective monitoring and control of assets.

According to the MFMA, the Accounting Officer in the Municipality should ensure:

- a) that the municipality has and maintains an effective and efficient and transparent system of financial and risk management and internal control;
- b) the effective, efficient and economical use of the resources of the municipality;
- c) the management (including safeguarding and maintenance) of the assets of the municipality;
- d) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- e) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
- f) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The objective of this Asset Management Policy is to ensure that the municipality:

- a) consistently applies asset management principles;
- b) applies accrual accounting;
- c) complies with the MFMA, GRAP and other related legislation;
- d) safeguards and controls the assets of the municipality; and
- e) optimises asset usage.

2. LEGISLATIVE FRAMEWORK

2.1. LEGAL FRAMEWORK

A municipality exercises its legislative and executive authority by, among others, developing and adopting policies, plans, strategies and programmes, including setting targets for delivery (section 11(3) of the MSA).

Participation by the local community in the affairs of the municipality must take place through, among others, generally applying the provisions for participation as provided for in the MSA (section 17(1) of the MSA).

A municipality must communicate to its community information concerning, among others, municipal governance, management and development (section 18(1) of the MSA).

As head of administration the Municipal Manager is, subject to the policy directions of the municipal council, responsible and accountable for, among others, the following:

- The management of the provision of services to the local community in a sustainable and equitable manner;
- Advising the political structures and political office bearers of the municipality (section 55(1) of the MSA); and
- Providing guidance and advice on compliance with the MFMA to the political structures, political office-bearers and officials of the municipality (section 60 of the MFMA).

As accounting officer of the municipality the Municipal Manager is responsible and accountable for, among others, all assets of the municipality (section 55(2) of the MSA).

The Municipal Manager must take all reasonable steps to ensure, among others, that the resources of the municipality are used effectively, efficiently and economically (section 62(1) of the MFMA).

2.2. RATIONALE FOR MANAGEMENT OF ASSETS

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objectives:

- Providing democratic and accountable government for local communities;
- Ensuring the provision of services to communities in a sustainable manner;
- Promoting social and economic development;
- Promoting a safe and healthy environment; and
- Encouraging the involvement of communities and community organisations in matters of local government.

In terms of the MFMA, the accounting officer is responsible for managing the assets and liabilities of the municipality, including the safeguarding and maintenance of its assets.

The MFMA further requires the accounting officer to ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for its assets and liabilities;
- The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- The municipality has and maintains a system of internal control of assets and liabilities.

The OHSA requires the municipality to provide and maintain a safe and healthy working environment, and in particular, to keep its infrastructure assets safe.

According to the International Infrastructure Management Manual (IIMM), the goal of infrastructure asset management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers.

The core principles of infrastructure asset management are:

1. Taking a life-cycle approach;
2. Developing cost-effective management strategies for the long-term;
3. Providing a defined level of service and monitoring performance;
4. Understanding and meeting the impact of growth through demand management and infrastructure investment;
5. Managing risks associated with asset failures;
6. Sustainable use of physical resources; and
7. Continuous improvement in asset management practices.

3. POLICY FRAMEWORK:

3.1. POLICY OBJECTIVE

The municipality is committed to providing municipal services for which the municipality is responsible, in a transparent, accountable and sustainable manner and in accordance with sound infrastructure management principles.

The main challenges associated with managing assets can be characterised as follows:

- a) Moveable assets – controlling acquisition, location, use, and disposal (over a relatively short term lifespan)
- b) Immovable assets – life-cycle management (over a relatively long-term lifespan).

The policy approach has been to firstly focus on the financial treatment of assets, which needs to be consistent across both the movable and immovable assets, and secondly to focus on the management of immovable assets as a fundamental departure point for service delivery.

3.2. POLICY PRINCIPLES

The following policy principles serve as a framework for the achievement of the policy objective:

3.2.1 Effective Governance

The municipality strives to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected. To this end, the municipality will:

- Adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- Regularly review and update amendments to the above legislation;
- Review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- Effectively apply legislation for the benefit of the community.

3.2.2 Sustainable Service Delivery

The municipality strives to provide to its customers services that are technically, environmentally and financially sustainable. To this end, the municipality will:

- Identify levels and standards of service that conform to statutory requirements and rules for their application based on the long-term affordability to the municipality;
- Identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- Identify current and future demand for services, and demand management strategies;
- Set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose assets, where applicable in line with national targets;
- Apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- Prepare and adopt an immovable (infrastructure) asset management strategy and immovable (infrastructure) asset management plans to support the achievement of the required performance;
- Prepare and adopt an immovable (infrastructure) asset maintenance strategy and immovable (infrastructure) asset maintenance plans to execute maintenance timeously;
- Allocate budgets that take cognisance of the full life cycle needs of existing and future assets;
- Implement its Tariff and Credit Control and Debt Collection Policies to sustain and protect the affordability of services by the community.

3.2.3 Social and Economic Development

The municipality strives to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community. To this end, the municipality will:

- Regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- Implement changes to services in response to changing customer needs and expectations where appropriate;
- Foster the appropriate use of services through the provision of clear and appropriate information;
- Ensure services are managed to deliver the agreed levels and standards; and
- Create job opportunities and promote skills development in support of the national EPWP.

3.2.4 Custodianship

The municipality strives to be a responsible custodian and guardian of the community's assets for current and future generations. To this end, the municipality will:

- Establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;
- Establish appropriate development control measures including community information;
- Cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- Ensure that heritage resources are identified and protected; and
- Ensure a long-term view and life-cycle costs are taken into account in immovable asset management decisions.

3.2.5 Transparency

The municipality strives to manage its immovable assets in a manner that is transparent to all its customers, both now and in the future. To this end, the municipality will:

- Develop and maintain a culture of regular consultation with the community with regard to its management of immovable assets in support of service delivery;
- Clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- Avail asset management information on a ward basis; and
- Continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

3.2.6 Cost-effectiveness and Efficiency

The municipality strives to manage its immovable assets in an efficient and effective manner. To this end, the municipality will:

- Assess life-cycle options for proposed new immovable assets;
- Regularly review the actual extent, nature, utilisation, criticality, performance and condition of immovable assets to optimise planning and implementation works;
- Assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of immovable assets;

- Ensure the proper utilisation and maintenance of existing assets;
- Establish and implement demand management plans;
- Timeously renew immovable assets based on capacity, performance, risk exposure, and cost;
- Timeously dispose of immovable assets that are no longer in use;
- Establish documented processes, systems and data to support effective life-cycle immovable asset management;
- Strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- Conduct annual assessments to support continuous improvement of immovable asset management practice.

4. ASSET RECOGNITION

4.1. CLASSIFICATION OF CAPITAL ASSETS

General

When accounting for Capital Assets, the municipality should follow the various standards of GRAP relating to the capital assets. An item is recognised in the statement of financial position as a Capital Asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Capital Assets are classified into the following categories for financial reporting purposes:

1. Property, Plant and Equipment (GRAP 17)

Land and Buildings (land and buildings not held as investment)

- Infrastructure Assets (immovable assets that are used to provide basic services)
- Community Assets (resources contributing to the general well-being of the community)
- Housing Assets (rental stock or housing stock not held for capital gain)
- Other Assets (ordinary operational resources)

2. Investment Property (GRAP 16)

- Investment Assets (resources held for capital or operational gain)

3. Intangible Assets (GRAP 102)

- Intangible Assets (assets without physical substance held for ordinary operational resources)

4. Biological Assets (GRAP 101)

- Biological Assets (livestock and plants held)

When accounting for Current Assets (that is of capital nature), the municipality should follow the various standards of GRAP relating to these assets. Current Assets (with a capital nature) are classified into the following categories for financial reporting purposes:

5. Assets classified as Held-for-Sale (GRAP 100)

- Assets Held-for-Sale (assets identified to be sold in the next 12 months and reclassified as Inventory)

6. Land Inventories (GRAP 12)

- Land Inventories (land or buildings owned or acquired with the intention of selling or distributing such property in the ordinary course of business)

7. Heritage Assets (GRAP 103)

- Assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations

Further asset classification has not been defined in GRAP. The examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks. To facilitate the practical management of infrastructure assets and asset register data, infrastructure assets have been further classified.

Policy

The asset classification specified by GRAP shall be adhered to as a minimum standard. An extended asset classification have been adopted. The CFO shall ensure that the classifications adopted by the municipality are adhered to.

4.2. IDENTIFICATION OF ASSETS

General

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. Immovable assets are usually identified by means of an accurate description of their physical location.

Policy

An asset identification system shall be operated and applied in conjunction with an asset register. As far as practicable, every individual asset shall have a unique identification number. The CFO shall develop and implement an asset identification system, while acting in consultation with the Executive Directors.

4.3. ASSET REGISTER

General

An asset register is a database of information related to all the assets under the control of the municipality. The asset register consists of an inventory of all the assets, with each asset having a unique identifying number. Data related to each asset should be able to be stored in the asset register. The data requirements for the asset register are as follows:

Data	Land	Movable	Infrastructure / building
Identification			
•Unique identification number or asset mark	✓	✓	✓
•Unique name	✓	✓	✓
•Internal Classification	✓	✓	✓
•Descriptive data (make, model, etc.)	✓	✓	✓
•Erf/Registration number	✓	✓	✓
•Title deed reference	✓		
Accountability			
•Department	✓	✓	✓
Performance			
•Age		✓	✓
•Condition		✓	✓
•Remaining Useful life		✓	✓
•Expected Useful Life		✓	✓
Accounting			
•Historic cost	✓	✓	✓
•Take-on value	✓	✓	✓
•Take-on date	✓	✓	✓
•Re-valued amount (where assets were re-valued)	✓	✓	✓
•Valuation difference (for purposes of Revaluation Reserve and depreciation)	✓	✓	✓
•Depreciation method		✓	✓
•Depreciation portion that should be transferred from Revaluation reserve to		✓	✓

Data	Land	Movable	Infrastructure / building
accumulated depreciation (where assets were re-valued)			
•Depreciation charge for the current financial year		✓	✓
•Impairment losses in the current year		✓	✓
•Accumulated depreciation		✓	✓
•Carrying value	✓	✓	✓
•Residual value		✓	✓
•Source of financing	✓	✓	✓

Assets remain in the asset register for as long as they are in physical existence or until being written off. The fact that an asset has been fully depreciated is not in itself a reason for writing-off such an asset. The asset register does not include assets that belong to other third parties. These assets may be included as separable entities for control purposes.

Policy

An asset register shall be maintained for all assets. The format of the register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets. The asset register will be updated annually and reconciled to the general ledger.

4.4. RECOGNITION OF CAPITAL ASSETS: INITIAL MEASUREMENT

General

A Capital Asset should be recognised as an asset in the financial and asset records when:

- It is probable that future economic benefits or potential service delivery associated with the item will flow to the municipality;
- The cost or fair value of the item to the municipality can be measured reliably;
- The cost is above the municipal capitalisation threshold (if any); and
- The item is expected to be used during more than one financial year.

Spare parts and servicing equipment are usually carried as inventory in terms of GRAP 12 on Inventories and are recognised in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Further guidance for the recognition of assets is provided below:

Capitalisation Threshold

The capitalisation threshold is a **policy decision of the municipality** and is the value above which assets are capitalised and reported in the financial statements as tangible or intangible capital assets as opposed to being expensed in the year of acquisition. As a result, the threshold has a significant impact on the size of the asset register and the complexity of asset management. However the capitalisation threshold is regarded as a deviation from GRAP standards and should be determined annually by comparison against materiality and must be determined at a level that will ensure that the municipality does not deviate materially from the requirements of GRAP 17.

The capitalisation threshold should not be applied to the components of an asset, but should be applied to the value of the capital asset as a whole. If the threshold is applied at component level, the asset register would be incomplete in the sense that an asset recorded as such would not be a complete asset. The municipality has taken the following into account when considering a capitalisation threshold:

- The impact of the threshold on the financial statements and the decisions/assessments the users of the financial statement may or may not make;
- The cost of maintaining financial and management information on assets when the threshold is very low;
- The impact on comparability and benchmarking cost of services may be difficult if different capitalisation thresholds are applied;
- The size of the municipality or the size of its service areas when setting a capitalisation threshold level. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.

Calculation of initial cost price

Only costs that comprise the purchase price and any directly attributable costs necessary for bringing the asset to its working condition should be capitalised. The purchase price exclusive of VAT should be capitalised, unless the municipality is not allowed to claim input VAT paid on acquisition of such assets. In such an instance, the municipality should capitalise the cost of the asset together with VAT. Any trade discounts and rebates are deducted in arriving at the purchase price. Listed hereunder is a list, which list is not exhaustive, of directly attributable costs:

- Costs of employee benefits (as defined in the applicable standard on Employee Benefits) arising directly from the construction or acquisition of the item of the Capital Asset
- The cost of site preparation;
- Initial delivery and handling costs;
- Installation costs;
- Professional fees such as for architects and engineers;

- The estimated cost of dismantling and removing the asset and restoring the site;
- Interest costs when incurred on a qualifying asset in terms of GRAP 5.

When payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit.

Component approach

The component approach is a GRAP-supported approach where complex assets are split into separate depreciable parts for recording. The key considerations in determining what should become a separately depreciable part (component) are:

- Significant cost; and
- Considerable difference in useful life

If the value of a part of the asset is significant (i.e. material) compared to the value of the asset as a whole and/or has a useful life that is considerably different to the useful life of the asset a whole, it should be recognised as a separately depreciable part (component).

Subsequent Expenses

The municipality should not recognise the costs of day-to-day servicing of the item in the carrying amount of an item of capital asset. These costs are recognised as expenditure as and when incurred. Day-to-day costs are primarily the costs of labour and consumables and may include the costs of small parts. The purpose of these expenditures is usually for the 'repair and maintenance' of the capital asset.

Parts of some capital assets may require replacement at regular intervals. For example, a road may need resurfacing every few years. It may be necessary to make less-frequently recurring replacement of parts, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle, an entity recognises in the carrying amount of the capital asset the cost of replacing the part of such an item when that cost is incurred if the recognition criteria are met. At the same time the part to be replaced should be derecognised.

Rehabilitation/Enhancements/Renewals of capital assets

Expenditure to rehabilitate, enhance or renew an existing capital asset (including separately depreciable parts) can be recognised as capital if:

- The expenditure satisfies the recognition criteria;
- that expenditure is enhancing the service provision of that capital asset beyond its original expectation and either that expenditure:
 - increases the useful life of that capital asset (beyond its original useful life);
 - increases the capital asset capacity (beyond its original capacity);
 - increases the performance of the capital asset (beyond the original performance);
 - increases the functionality of that capital asset;
 - reduces the future ownership costs of that capital asset significantly; or

- increases the size of the asset or changes its shape.

The expenditure to restore the functionality of the capital asset to its original level is a maintenance or refurbishment expense and will not be capitalised to the carrying value of the capital asset. The rehabilitated or renewed separately depreciable part will be derecognised and the replacement will be recognised. Where the separately identifiable asset is rehabilitated or renewed, the amount incurred will be added to the carrying value of the asset.

Leased Assets

A lease is an agreement whereby the lesser conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as a Capital asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

Policy

All capital assets shall be correctly recognised as assets and capitalised at the correct value in its significant components. **The capitalisation threshold is set at R500 (five hundred rand), but the application thereof will be determined annually by the municipality.**

All assets with values less than the capitalisation threshold and with an estimated useful life of more than one year shall be recorded on a Minor Assets Control List ("toolbox items"). The existence of items recorded on such a list shall be physically verified from time to time, and at least once in every financial year, and any amendments which are made to such lists pursuant to such asset verifications shall be retained for audit purposes.

The Council shall specify which kinds of leases the municipality may enter into. A lease register shall be maintained with all the information that is necessary for reporting purposes.

4.5. SUBSEQUENT MEASUREMENT OF CAPITAL ASSETS

General

After initial recognition of Property, plant and Equipment, the municipality values its assets using the cost model, unless a specific decision have been taken to revalue a certain class of assets and in such instance the PPE will be valued using the revaluation model. When an item of PPE is revalued, the entire class of property to which that asset belongs, should be re-valued.

When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

When an asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

4.6. RECOGNITION OF INVENTORY ITEMS (NON-CAPITAL ITEMS)

General

Inventories encompass finished goods purchased or produced, or work in progress being produced by the municipality. They also include materials and supplies awaiting use in the production process and goods purchased or produced by the municipality, which are for distribution to other parties for no charge or for a nominal charge. GRAP 12.7 defines Inventories as assets:

- In the form of materials or supplies to be consumed in the production process;
- In the form of materials or supplies to be consumed or distributed in the rendering of services;
- Held for sale or distribution in the ordinary course of operations; or
- In the process of production for sale or distribution.

Examples of Inventories may include the following:

- Ammunition
- Consumable stores;
- Maintenance materials;
- Spare parts for plant and equipment other than those dealt with under PPE;
- Strategic stockpiles (e.g. Water reserves);
- Work in progress; and
- Land / Property held for sale.

Cost of inventories shall comprise of all costs of purchase (i.e. purchase price, import duties, other taxes and transport, handling and other costs attributable to the acquisition of finished goods, materials and supplies), costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similarities are deducted. Taxes recoverable by the entity from the SARS may not be included.

Costs of development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development – e.g. purchase price of land acquired for such developments, surveying, conveyance costs and the provision of certain

infrastructure. Infrastructure costs relating to extending the capacity of existing infrastructure are excluded. The costs of inventories of a service provider consisting of direct labour and other costs of personnel directly engaged in providing the service and other attributable overheads are included.

Policy

Assets acquired or owned by the municipality for the purpose of selling or developing such assets with the intention to sell it or utilising the asset in the production process or in the rendering of services shall be accounted for in the municipality's financial statements as inventory items and not as property, plant and equipment.

Inventories are recorded in a dedicated section of the Inventory Register and it is maintained for this purpose. The amount of cost of inventories is recognised and carried forward until related revenues are recognised.

Inventories are measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge.

In cases where the above does not apply, inventories are measured at lower of cost and net realisable value.

5. ASSET TYPES

5.1. PROPERTY, PLANT AND EQUIPMENT: LAND AND BUILDINGS (GRAP 17)

General

~~Land and Buildings comprise any land and buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes. Land held for a currently undetermined future use, should not be included in PPE: Land and Buildings, but should be included in Investment Properties. For this class of Land and Buildings there is no intention of developing or selling the property in the normal course of business. This land and buildings include infrastructure reserves.~~

~~The municipality shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. If the municipality chooses the cost model for its Land and Buildings, then after recognition as an asset, Land and Buildings shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses~~

~~If the municipality chooses the revaluation model for its Land and Buildings, then after recognition as an asset, Land and Buildings whose fair value can be measured reliably shall be carried at a re-valued amount, being its fair value at the date of the revaluation less any~~

~~subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.~~

Policy

~~Subsequent to initial recognition, the Municipality chooses the **cost model** as the accounting policy for its Land and Buildings. Land is not depreciated as it is deemed to have an indefinite useful life.~~

5.1 PROPERTY, PLANT AND EQUIPMENT: INFRASTRUCTURE ASSETS (GRAP 17)

General

Infrastructure Assets comprise assets used for the delivery of infrastructure-based services. These assets typically include electricity, sanitation, solid waste, storm water, transport, and water assets. Many infrastructure assets form part of a greater facility e.g. a pump in a pump station.

Level of detail of componentisation

For the technical management of infrastructure, the most effective level of management is at the maintenance item level. It is at this level that work orders can be executed and data collected. This data is useful for maintenance analysis to improve infrastructure management decision making. This level in most cases coincides with the level that means the accounting criteria of different effective lives and materiality. However, the collection of data at this level of detail can be very costly when dealing with assets that are very numerous in nature e.g. water meters, street signs, street lights, household connections, etc. It is therefore prudent to balance the value of the information with the cost of collecting the data. The different levels of detail are shown below:

- Level 1: Service level (e.g. Swartland Water Supply)
- Level 2: Network level (e.g. Swartland Pump Stations)
- Level 3: Facility level (e.g. Amstelhof Pump Station)
- Level 4: Maintenance item level (e.g. Pump 1 in Amstelhof Pump Station)
- Level 5: Component level (e.g. Bearing of Pump 1 in Amstelhof Pump Station)

The preferred level of detail for the accounting and technical management of infrastructure is level 4 above.

The compilation of a detailed infrastructure asset register in one financial term is a costly and onerous exercise. To ensure the practicality of implementing asset registers (and asset management planning as a whole), the International Infrastructure Management Manual (IIMM) recommends the adoption of a continuous improvement process as a practical implementation approach. This approach recognises the value of limited data above no data and enables the municipalities too slowly, but steadily, increases their knowledge in the assets they own. The improvement principles of the IIMM recommend starting with complete coverage of the infrastructure types at a low level of detail (e.g. level 2 or 3) and then improving the level of

detail over a period of several years, starting with the high risk assets, such as pump stations, treatment works, etc.

Land comprises any land held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes. Land held for a currently undetermined future use, should not be included in PPE, but should be included in Investment Properties. For this class of Land there is no intention of developing or selling the property in the normal course of business. This land must be included in infrastructure reserves.

The municipality shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. If the municipality chooses the cost model for its Land, then after recognition as an asset, Land shall be carried at its cost less any accumulated impairment losses

If the municipality chooses the revaluation model for its Land, then after recognition as an asset, Land whose fair value can be measured reliably shall be carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Policy

The infrastructure asset register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. Infrastructure assets are valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods applied to Infrastructure assets shall be reviewed regularly, but the cost related to such reviews should be measured against benefits derived to ensure value for money.

Subsequent to initial recognition, the Municipality chooses the cost model as the accounting policy for its Land. Land is not depreciated as it is deemed to have an indefinite useful life

5.2. PROPERTY, PLANT AND EQUIPMENT: COMMUNITY ASSETS (GRAP 17)

General

Community Assets include a variety of assets used to provide services to the community. These assets include building assets such as aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks, etc. Community assets also include recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities, etc.

Policy

Community assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

5.3. PROPERTY, PLANT AND EQUIPMENT: HOUSING ASSETS

General

Housing Assets have their origin from housing units erected in terms of the Housing Act, funded from loans granted by Government and comprise of rental stock or selling stock not held for capital gain.

Policy

Housing assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

Housing Assets shall be recorded under the following main categories;

- Rental Schemes; and
- Selling Schemes.

5.4. PROPERTY, PLANT AND EQUIPMENT: OTHER ASSETS

General

Other Assets include a variety of assets that are of indirect benefit to the communities they serve. These assets include equipment, furniture and fittings, bins and containers, emergency equipment, motor vehicles, specialised vehicles, computer equipment and office equipment. Buildings comprises of any buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used for administrative purposes.

The municipality shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. If the municipality chooses the cost model for its Buildings, then after recognition as an asset, Buildings shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses

If the municipality chooses the revaluation model for its Buildings, then after recognition as an asset, Buildings whose fair value can be measured reliably shall be carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with

sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Policy

Other assets are stated at cost (or, if acquired through a non-exchange transaction, at its fair value) less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not re-valued.

Subsequent to initial recognition, the Municipality chooses the **cost model** as the accounting policy for its Buildings.

5.5. HERITAGE ASSETS (GRAP 103)

General

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. Heritage assets include the following:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example a historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Policy

Heritage assets are stated at cost (or, if acquired through a non-exchange transaction, at its fair value) less accumulated impairment losses. Heritage assets are not re-valued. If an asset that might be regarded as a heritage asset cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

5.6. INTANGIBLE ASSETS (GRAP 102)

General

Intangible Assets can be purchased, or can be internally developed, by the municipality and includes, but are not limited to, computer software, website development cost, servitudes and mining rights.

Servitudes

Creation of servitudes through the exercise of legislation

In terms of legislation, municipalities are granted certain rights regarding the creation of servitudes. For example, in proclaiming townships, a municipality may declare that servitudes are to be registered over certain parts of the land falling within the boundaries of the proclaimed township so that it is able to install infrastructure to provide basic services.

A key feature of servitudes created using rights granted in legislation is that no compensation is paid to the landowner for the acquisition of these rights. Costs may however be incurred to register the servitude with the Deeds Office.

Servitudes granted under these conditions **do not meet** the "identifiably" criteria above for the following reasons:

- They cannot be sold, transferred, rented or exchanged freely and are not separable from the entity.
- They arise from rights granted to the entity in statute and are specifically excluded from GRAP102 as they are "internally generated rights".

Creation of servitudes through acquisition (including by way of expropriation or agreement)

An entity may need to acquire the rights associated with a specific piece of land, e.g. to span power cables related to an electricity distribution network. When an entity acquires rights associated with land, and registers servitude, the landowner is usually compensated. Servitudes granted under these conditions are distinguished from those that are created through the exercise of legislation. These servitudes meet the definition of an "identifiable" intangible asset because they arise from contractual or other legal rights that are acquired through a specific arrangement, rather than through rights conferred on an entity in statute. In these instances, an entity would recognise the servitude as an intangible asset at cost. The cost of these servitudes on initial recognition is usually the transaction price, i.e. the compensation paid to the landowner and any other costs that can be capitalised to the cost of the asset in terms of GRAP 102.

Policy

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs. Research costs should be expensed and development costs may be capitalised if all the criteria set out in GRAP 102 has been met.

5.7. INVESTMENT PROPERTY (GRAP 16)

General

Investment Property comprise of land or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital

appreciation or both. Investment property does not include property used in the production or supply of service or for administration. It also does not include property that will be sold in the normal course of business. Typical investment properties include:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties);
- Shopping centres (developed along similar lines);
- Housing developments (developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit).

Policy

Investment Properties shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment Property is initially measured at its cost. Transaction costs shall be included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as PPE until it is ready for its intended use, where after it shall be reclassified as an investment asset.

After initial recognition, all investment property shall be measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20-50 years. The fair value of investment property shall be determined annually at reporting date in terms of the municipality's Accounting Policy. The fair value should reflect market conditions and circumstances as at the reporting date.

Investment assets are recorded in an Investment Property register.

The following classes of Municipal Property **will be classified** as Investment Property:

- a) Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations which council intends to sell at a beneficial time in the future.
- b) Land held for a currently undetermined future use.
- c) A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- d) A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.
- e) Property that is being constructed or developed for future use as investment property.

The following classes of Municipal Property will **not be classified** as Investment Property:

- a) Property held for sale in the ordinary course of operations or in the process of construction or development for such sale. This property is treated as inventory.

- b) Property being constructed or developed on behalf of the Provincial Government: Housing Department.
- c) Owner-occupied property which is defined as property which is held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes as per definition criteria of GRAP 17 which includes all council buildings used for administration purposes.
- d) Property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) are also regarded to be owner-occupied property.
- e) Property that is leased to another entity under a finance lease.
- f) Property held to provide a social service and which also generates cash inflows. For example, if council holds housing stock (letting units) used to provide housing to low income families at below market rental. In this situation, the property is held to provide housing services rather than for rentals or capital appreciation and rental revenue generated is incidental to the purposes for which the property is held.
- g) Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation.
- h) Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

5.8. BIOLOGICAL ASSETS (GRAP 101)

General

Biological Assets are living plants and animals such as trees in a plantation or orchard, cultivated plants, sheep and cattle. Managed agricultural activity such as raising livestock, forestry, annual or perennial cropping, fish farming that are in the process of growing, degenerating, regenerating and / or procreating which are expected to eventually result in agricultural produce. Such agricultural produce is recognised at the point of harvest. Future economic benefits must flow to the municipality from its ownership or control of the asset.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. Point-of-sale costs exclude transport and other costs necessary to get assets to the market. Where the municipality is unable to measure the fair value of biological assets reliably, a biological asset should be measured at cost less any accumulated depreciation and accumulated impairment losses.

Policy

Biological assets, such as livestock and crops, shall be valued annually at fair value less estimated point-of-sales costs.

5.9. ASSETS CLASSIFIED AS HELD-FOR-SALE (GRAP 100)

General

A non-current asset shall be classified as Assets Held-for-Sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable, management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Policy

Assets identified for disposal by way of a sale transaction, be it by public auction, bidding process or sales agreement, within 12 months of the date of identification shall be classified as assets held-for-sale and transferred from the home asset category to held-for-sale category. Such assets shall be measured at the lower of its carrying amount and fair value less costs to sell and is not depreciated any further upon classification as held-for-sale. The municipality shall not classify a non-current asset that is to be abandoned as held-for-sale because its carrying amount will be recovered principally through continuing use.

5.10. INVENTORY PROPERTY (GRAP 12)

General

Inventory Property comprises any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business.

Policy

Inventory land and buildings shall be accounted for as inventory, and not included in either PPE or Investment Property in the municipality's asset register or Statement of Financial Position. Inventory property shall be valued annually at reporting date at the lower of its carrying value or net realisable value, except where they are held for:

- a) distribution at no charge or for a nominal charge, or
- b) Consumption in the production process of goods to be distributed at no charge or for a nominal charge, and then they shall be measured at the lower of cost and current replacement cost.

Inventory properties shall be recorded in the Inventory register.

5.11. MINOR ASSETS (CAPITAL ASSETS BELOW APPROVED THRESHOLD)

General

Minor Assets comprise movable assets not capitalised in terms of the threshold policy of the municipality. However, these assets must still be controlled, safeguarded and verified by the municipality. They are not capitalised for the number of assets compared to their value does not warrant the complex procedures applicable to asset management, rendering a manageable asset register by concentrating on what is material and significant to the municipality's operation.

Policy

Minor assets shall be expensed in the Statement of Financial Performance and not be capitalised. These assets shall not be depreciated or tested for impairment and shall not generate any further transactions, except in the cases where losses are recovered by means of insurance claims or recoveries from disciplinary actions.

6. ASSET ACQUISITION

6.1. ACQUISITION OF ASSETS

General

Acquisition of assets refers to the purchase of assets by buying, building (construction), or leasing. The date of acquisition of assets is deemed to be the time when control or legal title passes to the municipality.

Policy

Should the municipality decide to acquire a capital asset, the following fundamental principles should be carefully considered prior to acquisition of such an asset:

- The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it;
- The asset meets the definition of a Capital Asset (as defined in GRAP 16, GRAP 17, GRAP 101, GRAP 102 and GRAP 103)
- The asset has been budgeted for;
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- The purchase is absolutely necessary as there is no alternative municipal asset that could be economically upgraded or adapted;

- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;
- Space and other necessary facilities to accommodate the asset are in place; and
- The most suitable and appropriate type, brand, model, etc. has been selected.

6.2. CREATION OF NEW INFRASTRUCTURE ASSETS

General

Creation of new infrastructure assets refers to the purchase and / or construction of totally new assets that has not been in the control or ownership of the municipality in the past.

Policy

The cost of all new infrastructure facilities (not additions to or maintenance of existing infrastructure assets) shall be allocated to the separate assets making up such a facility and values may be used as a basis for splitting up construction costs of new infrastructure into the component parts, each of which have an appropriate useful life.

Work in progress shall be flagged (indicated) as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management. Each part of an item of Infrastructure with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

6.3. SELF-CONSTRUCTED ASSETS

General

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

Policy

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the asset register and depreciated over its estimated useful life for that category of asset. Work in progress shall be flagged (indicated) as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management.

6.4. DONATED ASSETS

General

A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.

Policy

Donated assets shall be valued at fair value, reflected in the asset register, and depreciated as normal assets. All donated assets shall be approved by the Municipal Manager and ratified by Council prior to acceptance.

7. ASSET MAINTENANCE

7.1. USEFUL LIFE OF ASSETS

General

Useful Life of assets is defined in section 2 of the Policy and is basically the period or number of production units for which an asset can be used economically by the municipality.

Although National Treasury (NT) guidelines exist that includes directives for useful lives of assets, municipalities must use their own judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for particular classes of assets. The calculation of useful life is based on a particular level of planned maintenance.

Policy

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP .During annual physical verification of movable assets, an assessment of condition and use shall determine the appropriateness of the remaining useful lives, while for infrastructure assets, the useful lives shall be deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the remaining useful lives of these assets.

7.2. RESIDUAL VALUE OF ASSETS

General

The Residual Value of an asset is the estimated amount that the municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of most assets are however considered to be insignificant and therefore immaterial in the calculation of the depreciable amount. The reason is that the majority of

assets are hardly ever recovered through sale, but rather through use of the asset until the end of its useful life, after which insignificant amounts, if any, are expected to be obtained, as these assets will most probably be replaced in its entirety.

Assets typically not sold by the municipality are land, buildings, infrastructure and community assets, which assets will have a residual value of zero, allowing the asset to be fully depreciated over its useful life cycle. Residual values will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. Past experiences of municipal auctions held revealed that furniture, computer equipment and other movable assets does not reach selling prices that are material.

Policy

Residual values shall be determined upon initial recognition of assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles and earthmoving equipment. The basis of the residual value estimates shall be determined by the results of past sales of these types of assets at auctions when it reaches the end of its useful lives. The residual value of assets shall be reviewed annually at reporting date. Changes in depreciation charges emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

7.3. DEPRECIATION OF ASSETS

General

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation therefore recognises the gradual exhaustion of the asset's service capacity. The depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value. The depreciation method used must reflect the pattern in which economic benefits or service potential of a Capital Asset is consumed by the municipality. The following are the allowed alternative depreciation methods that can be applied by the municipality:

- a. Straight-line;
- b. Diminishing Balance; and
- c. Sum of the Units.

Policy

All PPE assets except land shall be depreciated over their reasonable useful lives. The residual value and the useful life of an asset shall be reviewed at each reporting date. The depreciation method applied shall be reviewed at each reporting date. Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used by the municipality, or expected to be so controlled or used during the ensuing financial year.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed. Depreciation of an asset shall begin when the asset is ready to be used, i.e. the asset is in the location and condition necessary for it to be able to operate in the manner intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production. In the case of intangible assets being included as assets, the procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other assets.

7.4. IMPAIRMENT LOSSES

General

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. The following serve as examples of impairment indicators:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the carrying value and the recoverable service value. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at re-valued amount.

If the asset is carried at a re-valued amount the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

Policy

Assets shall be reviewed annually for all assets with impairment indicators. Impairment of assets shall be recognised as an expense, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Surplus. The reversal of previous impairment losses recognised as an expense is recognised as an income.

7.5. MAINTENANCE OF ASSETS AND THE ASSET REGISTER

General

Maintenance refers to all actions necessary for retaining an asset as near as practicable to its original condition in order for it to achieve its expected useful life, but excluding rehabilitation or renewal. This includes all types of maintenance – corrective and preventative maintenance.

For linear infrastructure assets, such as pipes, cables and roads, the following test is applied to differentiate between maintenance and renewal when partial sections of linear assets are renewed:

- If a future renewal of the entire pipe will include the renewal of the partial section that is now renewed, then the renewal of the partial section is treated as maintenance.
- If a future renewal of the entire pipe will retain the partial section that is now renewed, then the renewal of the partial section is treated as renewal and the pipe is split into two separate assets.

Maintenance analysis is an essential function of infrastructure management to ensure cost-effective and sustainable service delivery. In order to analyse maintenance data, maintenance actions undertaken against individual infrastructure assets should be recorded against such assets.

Policy

Maintenance actions performed on infrastructure assets shall be recorded against the individual assets that are identified in the asset register.

7.6. RENEWAL OF ASSETS

General

Asset Renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However if the service is no longer required, the asset should not be renewed. Asset renewal projections are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

Policy

Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

7.7. REPLACEMENT OF ASSETS

General

This paragraph deals with the complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.

Policy

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All costs incurred to replace the asset shall be capitalised against the new asset.

8. ASSET DISPOSAL

8.1. TRANSFER OF ASSETS

General

The processes and rules for the transfer of a capital asset to another municipality, municipal entity or national/provincial organ of state are governed by an MFMA regulation namely "the Local Government: Municipal Asset Transfer Regulations".

Transfer of assets or inventory items refers to the internal transfer of assets within the municipality or from the municipality to another entity. Procedures need to be in place to ensure that the Asset Control Department can keep track of all assets and ensure that the asset register is updated with all changes in asset locations. These procedures must be followed and apply to all transfers of assets from:

- One Department to another Department;
- One location to another within the same department;
- One building to another; and
- One entity to another.

Policy

The transfer of assets shall be controlled by a transfer process and the asset register shall be updated.

8.2. EXCHANGE OF ASSETS

General

According to GRAP 17.33 an item of PPE may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. The cost of such an item of property, plant and equipment is measured at fair value unless:

- the exchange transaction lacks commercial substance; or
- the fair value of neither the asset received nor the asset given up is reliably measurable.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Policy

The cost of assets acquired in exchange for another asset shall be measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up, adjusted by the amount of any cash or cash equivalents transferred.

8.3. ALIENATION / DISPOSAL OF ASSETS

General

Alienation / Disposal (alienation) is the process of disowning redundant and obsolete assets by transferring ownership or title to another owner, which is external to the municipality.

The MFMA (section 14 and 90) and the Municipal Supply Chain Management Regulation no. 27636 have specific requirements regarding the disposal of capital assets.

Specifically:

- A municipality may not ..." permanently dispose of a capital asset needed to provide the minimum level of basic municipal services"
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

In addition, the MFMA section 75 (1)(h) requires that the accounting officer of a municipality places on the municipality's website an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter.

Policy

The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.

Different disposal methods will be necessary for different types of assets. Before deciding on a particular disposal method, the following shall be considered:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location
- Its volume
- Its trade-in price

- Its ability to support wider Government programmes;
- Environmental considerations
- Market conditions
- The asset's life

Appropriate means of disposal may include:

- Public auction
- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution under finance lease
- Trade-in
- Controlled dumping (for items that have low value or are unhygienic)

Other means of alienation include:

- Donations: Donations may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager for approval.
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.
- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.
- The letting of immovable property, excluding municipal housing for officials and political office bearers, must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.

Once the fixed assets are disposed, the asset shall be removed from the accounting records and the asset register. All gains and losses realised on the disposal of assets shall be accounted for as revenue or expense in the Statement of Financial Performance.

8.4. SELLING OF ASSETS

General

Selling of assets refers to the public sale of municipal assets approved for alienation.

Policy

All assets earmarked for sale must be sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;
- The municipality shall appoint an independent appraiser to fix a minimum selling price;

- In the case of a public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Assets earmarked for sale, shall be reclassified as Assets Held-for-Sale in terms of section 5.10 of this Policy and shall not attract any further depreciation. Sold assets shall be written-off in the asset register.

8.5. WRITING-OFF OF ASSETS

General

The write-off of assets is the process to permanently remove the assets from the asset register.

Assets can be written-off after approval of the Municipal Manager of a report indicating that:

- The useful life of the asset has expired;
- The asset has been destroyed;
- The asset is out-dated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold; and
- Acceptable reasons have been furnished leading to the circumstances set out above.

Policy

The only reasons for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset in question.

9. PHYSICAL CONTROL (MOVABLE ASSETS)

9.1. PHYSICAL CONTROL / VERIFICATION

General

Movable assets require physical control and verification of existence.

Policy

All movable assets shall be actively controlled, including an annual verification process. Annual physical inspections of assets shall be performed to identify items which are missing, damaged, not in use or are obsolete due to changed circumstances, to ensure that they are appropriately repaired, impaired, written off or disposed of.

Registers shall be kept for those assets allocated to staff members. The individuals are responsible and accountable for the assets under their control. These registers should be updated when the assets are moved to different locations or allocated to a different staff member in order to facilitate control and physical verification.

9.2. INSURANCE OF ASSETS

General

Insurance provides selected coverage for the accidental loss of the asset value. Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury.

Policy

Assets that are material in value and substance shall be insured at least against destruction, fire and theft. All municipal buildings shall be insured at least against fire and allied perils.

9.3. SAFEKEEPING OF ASSETS

General

Asset safekeeping is the protection of assets from damage, theft, and safety risks.

Policy

Directives for the safekeeping of assets shall be developed and the safekeeping of assets shall be actively undertaken.

10. ASSET FINANCIAL CONTROL

10.1. CAPITAL REPLACEMENT RESERVE (CRR)

General

The CRR is a reserve account to set aside funds for the financing of property, plant and equipment. The CRR is therefore an asset financing source that represents an alternative to the other funding sources available to the municipality, namely external loans (interest bearing borrowings) and government grants and subsidies. The value of this reserve is not represented by any values of assets under the municipality's control and shall preferably be cash-backed.

Policy

It is the policy of Council to annually make contributions to the CRR to ensure that the CRR remains a capital funding source for the future. The municipality will determine its future capital financing requirements and transfer sufficient cash to its CRR in terms of this determination. The Integrated Development Plan, the municipality's ability to raise external finance and the amount of government grants and subsidies that will be received in future will need to be taken into account in determining the amount that must be transferred to the CRR. Whenever an asset is sold by the municipality, the proceeds on the sale of the assets must be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets. All proceeds on the sale of land will be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets. Whenever an asset is purchased out of the CRR an amount equal to

the cost price of the asset purchased, is transferred from the CRR into accumulated surplus on the Statement of Changes in Net Assets.

10.2. BORROWING COSTS (GRAP 5)

General

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of premiums or discounts associated with such borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and foreign exchange differences arising from foreign currency borrowings when these are regarded as an adjustment to interest costs.

Policy

Borrowing cost shall be recognised as an expense in the period in which they are incurred

10.3. FUNDING SOURCES

General

The Municipal Finance Management Act (MFMA) provides guidelines on how to utilize funds in financing assets (Section 19 of MFMA). The municipality shall utilise any of the following sources to acquire and / or purchase assets:

- Grants, Subsidies and Public Contributions;
- Revenue Contributions;
- Capital Replacement Reserve;
- Cash Surplus; and / or
- External / Donor Funds.

Policy

The annual capital budget must be funded and the sources of finance must be disclosed as part of the Council's budget.

10.4. DISASTER

General

In terms of the Disaster Management Act, 2002, Disaster means a progressive or sudden, widespread or localised, natural or human – caused occurrence which causes or threatens to cause:

- death, injury or disease;
- damage to property, infrastructure or the environment; or
- disruption of life of community; and

- is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

In terms Section 56 (b) of the Disaster Management Act, 2002 the cost of repairing or replacing public sector infrastructure should be borne by the organ of state responsible for the maintenance of such infrastructure. The National, Provincial and Local organs of state may contribute financially to response efforts and post – disaster recovery and rehabilitation.

Policy

The Municipality will correspond with the Provincial organs to gain funds for repairing assets damaged in disaster events. The municipality must adhere to the disaster management plan for prevention and mitigation of disaster in order to be able to attract the disaster management contribution during or after disaster.

SWARTLAND MUNICIPALITY



VIREMENT POLICY

**REVIEWED AND AMENDED
MAY 2017**

1. PURPOSE

- 1.1 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control.
- 1.2 Section 81(1)(d) of the MFMA states inter alia “that The Chief Financial Officer of the Municipality must advise senior Managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79”.
- 1.3 It is the responsibility of each Executive Director of each Directorate to which funds are allocated, to plan and conduct assigned operations so as not to spend more funds than budgeted for and to ensure that funds are utilized effectively and efficiently.
- 1.4 Section 78 (1) of the MFMA states inter alia that “Each Senior Manager of a Municipality and each official of a Municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that in terms of Section 78(1) (b) the financial and other resources of the Municipality are utilized effectively, efficiently, economically and transparently”
- 1.5 No expenditure may be incurred unless provision therefore has been made in the operating and capital budgets. Refer to section 15 of the M.F.M.A. in this regard.

2. DEFINITIONS (CHAPTER 1 OF MFMA)

2.1 Accounting Officer

- 2.1.1 “(a) in relation to a municipality, means the Municipal official referred to in section 60”

“The municipal manager of a municipality is the accounting officer of the municipality for the purposes of this Act, and, as accounting officer, must—

- (a) *exercise the functions and powers assigned to an accounting officer in terms of this Act; and*
- (b) *provide guidance and advice on compliance with this Act to—*
 - (i) *the political structures, political office-bearers and officials of the municipality; and*
 - (ii) *any municipal entity under the sole or shared control of the municipality.”*

2.2 Adjustments Budget

Means a budget

(a) As described in Section 28 of the MFMA i.e.

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget—
 - (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.
- (3) An adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.
- (5) When an adjustments budget is tabled, it must be accompanied by—
 - (a) an explanation how the adjustments budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

(7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

(b) Also in terms of Part 4 of the Municipal Budget and Reporting Regulations.

2.3 Approved Budget

“Means an annual budget –

2.3.1 (a) approved by a Municipal Council; or

2.3.2 (b) approved by a Provincial or the National Executive following an intervention in terms of section 139 of the constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28 and of the Municipal Budget and Reporting Regulations.”

2.4 Chief Financial Officer

2.4.1 “means a person designated in terms of section 80(2) (a)”.

“(2) A budget and treasury office consists of—

(a) A chief financial officer designated by the accounting officer of the municipality.”

2.5 Department

2.5.1 The definition of “Department will be set at the Directorate level e.g. Civil department, Financial services department etcetera.

2.6 Executive Directors

2.6.1 Section 56 of the Systems Act states inter alia that : “Appointment of managers directly accountable to Municipal Managers – (a) a Municipal Council, after consultation with the Municipal Manager, appoints a manager directly accountable to the Municipal Manager.”

2.7 Financial year

2.7.1 Means a year ending on 30 June.

2.8 Line Item

2.8.1 The definition of a line item for Swartland Municipality is a specific item within a functional area e.g. stationary and consumables.

2.9 MFMA Vote

2.9.1 “(a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and

(b) Which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.”

- 2.9.2 The definition of a “VOTE” for Swartland Municipality is set at the Directorate level in line with table A3 and A5 of the Municipal Budget Reporting Regulations e.g. Civil Services, Corporate Services etc.

2.10 Virement

- 2.10.1 The process of transferring an approved budgetary provision from one operating cost element or capital project to another during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the previous budget adoption.

3. REGULATION ON BUDGET VERSUS EXPENDITURE – MFMA

3.1 The MFMA regulates as follows regarding the incurring of expenditure against budgetary provisions.

3.1.1 Section 15 – Appropriation of funds for expenditure

“A Municipality, may except where otherwise provided in the Act, incur expenditure only –

- (a) In terms of an approved budget, and
- (b) Within the limits of the amounts appropriated for the different votes in the approved budget.”

3.1.2 Unauthorised Expenditure (M.F.M.A. Definition)

“in relation to a Municipality, means any expenditure incurred by a Municipality otherwise than in accordance with section 15 or 11 (3), and includes –

- (a) Overspending of the total amount appropriated in the Municipality’s approved budget;
- (b) Overspending of the total amount appropriated for a vote in the approved budget;
- (c) Expenditure from a Vote unrelated to the department or functional area covered by the vote;
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.

- (e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or
- (f) A grant by the Municipality otherwise than in accordance with this act.”

3.1.3 Overspending (MFMA Definition)

- (a) “in relation to the budget of a Municipality, means causing the operational or Capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year’s budget for its operational or capital expenditure, as the case may be;
- (b) In relation to a Vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits in subsection (5) of that section.”

- 3.1.4 Section 71 (1) (g) (iii) states inter alia (i) “ The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality and the relevant provincial treasury a statement in the prescribed format on the state of the Municipality’s budget reflected the following particulars for that month and for the financial year up to the end of that month – (g) when necessary, an explanation of – (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the Municipality’s approved budget”.

4. VIREMENT REQUIREMENTS

4.1 Virements represents a flexible mechanism to affect budgetary amendments within a Municipal financial year, and represents the major mechanism to align and take corrective (financial / budgetary) action within a Directorate during a financial year.

4.2 To transfer funds from one vote (functional area) or capital project to another vote (functional area) or capital project, or transfer funds within a vote (line item to line item), a saving has to be identified within the monetary limitations of the approved vote or capital project allocations on the respective budgets.

4.3 Any budgetary amendments of which the net impact will result in exceeding the approved annual budget allocation for a vote and any other amendments not covered in this policy are to be considered for budgetary adoption via an adjustments budget (per MFMA section 28)

4.4 In terms of Section 17 of the MFMA a municipality's budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets.

5. DELEGATIONS

5.1 ~~Subject to the further stipulations and conditions in this policy, the authority is delegated to every Director to vire not more than four times (debits and credits combined) per line item within a given financial year. Once 5 virements have taken place on a line item within a financial year, it will be reported on the performance management system and be tabled at the following Management meeting.~~

Due to the implementation of mSCOA the policy will be more lenient with regards to the number of virements per line item due to the complexity/budgetary requirements.

5.2 Virements between departments would require ~~a Council resolution which is confirmed through the Adjustment Budget~~ **approval by the CFO and Municipal Manager via a memorandum.**

6. OPERATING BUDGET

6.1 Virements are not allowed to utilise any special purpose operating budgetary allocations approved by Council and which is specifically mentioned and highlighted as such during the approval of the budget.

6.2 Only **the CFO and MM Council** may consider the virements of these funds mentioned in above and only after full motivations were provided for these virements.

6.3 Salaries and Vehicle costing system

6.3.1 No Virements to and from salary related line items will be allowed unless special permission is received from the MM or CFO. Only the Budget Office will be permitted to do the virement.

6.3.2 Any savings identified for the filling of approved vacant posts not budgeted for can only be vired **as stipulated under 6.2. with a Council's Resolution in which the future year's financial impact had also been considered.**

6.3.2 No Virements to and from the vehicle costing system will be allowed unless special permission is received from the MM or CFO. Only the Budget Office will be permitted to do the virement.

6.3.4 If a vehicle is needed to be repaired, a virement request will be completed and forwarded to the budget office for processing once approval has been given **through by supply chain management officials** ~~by the CFO in this regard.~~ There will be one global amount under the Finance Department where the funds will be viremented to the respective vehicle costing item upon receipt of a valid virement request.

6.4 Other Expenditure

6.4.1 Virements to and form the following items are not allowed: Bulk purchases; Debt Impairment, Interest Charges; Depreciation, Grants to Individuals, Revenue foregone, Insurance, Vat and other non-cashed items as determined by the Chief Financial Officer.

6.4.2 Virements in respect of expenditure votes financed from grants or any other external source of finance must be approved by the MM and CFO.

6.4.3 No Virements to and from line items linked to contracts/tenders in the operating budget e.g. Security Services, Sweeping of Streets and Highlands Refuse Dump: Recycling will be permitted unless special permission is received from the MM and CFO. Only the Budget Office will be permitted to do the virement.

6.5 Revenue

6.5.1 No virements are permitted in relation to the Revenue side of the Budget.

6.5.2 Revenue amendments are to be adopted via an adjustments Budget.

6.6 Confirmation

The virements of any savings amount is subject to the confirmation of the Chief Expenditure.

8.2 Completed virements documentation must be verified by the Chief Financial Officer or in terms of the delegation authority assigned to the Chief Financial Officer, by the **Manager**/Head: Budget Office as confirmation of available funds and/or savings.

8.3 Virements approved by the Municipal Manager and Directors will be reported to the Admin and Finance Committee on a monthly basis as part of the Chief Financial Officer's monthly reports.

Review of the Policy

Date of adoption: 1 July 2011

Amended: 17 June 2012

Amended: 13 May 2015

Amended: March 2017

7. CAPITAL BUDGET

7.1 Virements with the result in adding 'new' projects to the Capital Budget will not be allowed unless approved by council. Motivation will be required.

7.2 Virements in respect of savings on capital projects will only be permitted if allocated to projects approved as part of the annual or adjustment budgets or the 3 year capital program of the Council.

7.3 Budgeted amounts in respect of approved capital projects which are, due to changed circumstances, not executed, can only be vired by Council.

7.4 Virements of Conditional Grant funds to purposes outside of that specified in the relevant Conditional Grant framework is not permitted.

7.5 Virements of Capital Projects can only be approved between projects of similar funding sources (e.g. MIG to MIG).

8. PROCESS AND ACCOUNTABILITY

8.1 Virements application forms as per annexure A must be completed in accordance with Council's virements policy.

SWARTLAND MUNICIPALITY

POLICY WITH REGARDS TO THE PAYMENT OF TRAVEL- AND ACCOMMODATION- AND SUBSISTENCE COSTS

**REVIEWED AND AMENDED
MAY 2017**

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SCHEDULE A

1. **Payment of accommodation- and subsistence costs**
 - 1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for less than 24 hours of his/her usual abode or work place.
 - 1.2 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for more than 24 hours of his/her usual abode or work place.
2. **Payment of travel expenses**
 - 2.1 For the execution of official obligations within the area of jurisdiction of the municipality.
 - 2.2 For the execution of official obligations outside the area of jurisdiction of the municipality.

SWARTLAND MUNICIPALITY

POLICY WITH RESPECT TO PAYMENT OF TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS

1. DEFINITIONS

In this policy document, unless the context otherwise indicates -

“accommodation” means overnight accommodation including or excluding breakfast;

“bargaining council” means the Western Cape division of the South African Local Government Bargaining Council;

“fringe benefit vehicle scheme” means a scheme in terms of which a travel allowance is included in the remuneration package for the applicable position, as resolved by the council of the municipality from time to time, and in respect of which a monthly travel allowance is paid;

“essential users scheme” means a scheme, as negotiated in the bargaining council, in terms of which specified personnel, in accordance with the criteria laid down by the bargaining council and adopted by the municipal council, use their own vehicles for official business;

“subsidised vehicle” means a vehicle used by an officer or councilor of the municipality for official business and which, in the case of officials, was acquired in pursuance of a fringe benefit vehicle scheme or an essential users scheme and, in the case of a councilor, his/her own vehicle used for official business for which a travel allowance is paid;

“chief financial officer” means an official who has been appointed as such by the accounting officer in accordance with section 80(2)(a) of the Municipal Financial Management Act, 2003 (Act 56 of 2003);

“municipality” means the Swartland Municipality;

“private vehicle” means a vehicle which is not a subsidized vehicle and is registered in the name of an official or councilor, which is used by such official or councilor for official business;

“councilor's own vehicle” means a vehicle used by a councilor for official business, which is his/her property, in respect of which a fixed travel allowance, as determined by the municipal council from time to time, is paid to the said councilor and which allowance is subject to the conditions as determined by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998);

“accounting officer” means the Municipal Manager of the municipality;

“subsistence” means meals and incidental costs as contemplated in paragraph 1.2 of Schedule A excluding accommodation.

“Mfma” means Local Government: Municipal Finance Management Act No 56, 2003

“Application form” means an electronic form on the ~~collaborator~~ municipal's system that must be completed with estimated costs before traveling overnight

“Claim form” means the electronic form on the ~~collaborator~~ municipal's system where a person claims their actual traveling expenses

“Late Claim” means a claim form submitted for authorization after the 10th of the following month travelled

2. APPLICATION OF POLICY

This policy applies to councilors as well as officials of the municipality and also incorporates provisions pertaining to reimbursement of persons invited by the municipality for job interviews.

This policy is not applicable to official obligations to be carried out beyond the borders of the Republic of South Africa.

In such cases permission must be obtained from the executive mayor for the relevant trip and reimbursement for the travel, accommodation and subsistence costs will be determined by the executive mayor in consultation with the accounting officer, on a case by case basis, as and when necessary, provided that in such cases travel, accommodation and subsistence costs will only be paid if provision has been made in the current budget for such expenditure.

When the executive mayor have to carry out official obligations outside the Republic of South Africa the travel, accommodation and subsistence costs for such visits must be approved in advance by the full council of the municipality.

3. PURPOSE OF THE POLICY

From time to time it is necessary for officers and councilors of the municipality to perform official duties within as well as outside the area of jurisdiction of the municipality and of necessity travel, accommodation and subsistence costs in respect of these officials has to be incurred.

The purpose of this document is therefore to document a policy clarifying in which instances and to what extent, travel, accommodation and subsistence costs may be incurred and expenditure so incurred by an official or councilor will be reimbursed to him or her.

4. AUTHORIZATION FOR PAYMENT OF TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS

4.1 Where travel, accommodation and subsistence costs has to be incurred in respect to the carrying out of an official obligation by an official or a councilor (for example representation of the municipality at a conference, workshop, meeting, seminar or any other official obligation) the related travel, accommodation and subsistence costs will only be paid –

- if the discharge of such official obligation has been authorized in advance as set out in paragraphs 4.2 to 4.4, and
- an application form is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division on the understanding that the completion of the application form and authorization thereof must occur prior to person's traveling and will be mandatory in the following instance -
 - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which ~~either~~ travel, accommodation (only applicable if the distance to travel exceeds 150km one way from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
- A claim form is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division and will only be mandatory in the following instances -
 - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which either travel or accommodation (only applicable if the distance to travel exceeds 150km one way from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, or both, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
 - in those instances where an official obligation must be carried out within the area of jurisdiction of the municipality in respect of which travel costs as contemplated in paragraph 1 and 2.1 of Schedule A must be paid.
- the provisions set out in this policy are duly met.

4.2 Authorization for the carrying out of an official obligation involving payment of accommodation, subsistence and/or travel costs as contemplated in paragraph 4.1 may only be granted by -

- the executive mayor to councilors and the municipal manager
- the municipal manager to the various heads of department and executive mayor; and
- the heads of department or division to officials in their respective departments.

provided that -

- there is adequate provision in the budget for the commitment of such expenditure and the budget for the respective votes has not been exhausted or will not be exceeded;
- the authorization granted is in compliance with the provisions of this policy document; and

4.3 When authorization is given in terms of paragraph 4.2, the executive mayor, accounting officer, head of department or head of division, as the case may be, states that he/she authorizes any of the following in respect of the relevant official duty -

- air travel;
- garaging for a private or subsidized vehicle at the airport;
- hire of a vehicle for travel from the airport of destination to lodging, or from lodging to place where the official duty has to be fulfilled; or
- use of a private or subsidized vehicle.

Where the expenditure is not duly authorized by the executive mayor, accounting officer, head of department or head of division, no such expense may be reimbursed to an official or councilor who incurred the expenditure.

4.4 When the executive mayor, accounting officer, head of department or head of division is in terms of the provisions of paragraph 4.3 considering whether air transport or a private or subsidized vehicle should be used in those instances where more than one official and/or councilor has to attend the same official occasion, the executive mayor, accounting officer, head of department or head of division must take into account that it could be more economical to authorize the use of a private or subsidized vehicle rather than air transport, as such a vehicle will provide transport for one or more passengers. The most economical means of transport have to be approved with all relevant factors and in the best interests of the municipality, taken in account when considering the use of air transport or not.

4.5 When an official obligation is authorized in accordance with the above mentioned provisions, the completed application and/or claim forms should be submitted to the relevant official in the offices of the director of finances.

5. PAYMENT OF ACCOMMODATION AND SUBSISTENCE COSTS

- 5.1 Where authorization in accordance with the provisions of paragraph 4 hereof is given, accommodation and subsistence costs will be paid in terms of and in accordance with the conditions and limitations as set out in paragraph 1 of Schedule A.
- 5.2 Where an official or councilor spends one or more nights away from home on official business, the said official or councilor may stay in a hotel, motel, guest house, bed and breakfast establishment or hire a chalet or similar self catering accommodation for this purpose. If an official stays **with at** a family member or friend no accommodation expenses will be paid. Subsistence expenses will be paid in accordance with the provisions of this policy.
- 5.3 As a general rule councilors and officials must make every effort to secure accommodation as close to the place of the official duty as possible.
- 5.4 Air travel, Accommodation cost and Vehicle hiring are payable through Supply Chain Management and Expenditure processes. Deviations will be handled in accordance with the Supply Chain Management Policy. Travel Agencies may only make booking arrangements on behalf of the municipality that is in line with Circular No 82 of the MFMA.
- 5.5 In the event of meals being part of the accommodation package of the hotel, quest house or bed and breakfast establishment or where meals or snacks during any official obligation which is attended by an official or councilor, are being provided by the host or a sponsor free of charge, or is included as a portion of the total financial package of, for example, a conference, seminar, workshop, etc, the cost of meals as contemplated in paragraph 1.2 of Schedule A shall not be payable and may be claimed by an official or councilor.

6. PAYMENT OF TRAVEL COSTS

- 6.1 Where authorization in terms of the provisions of paragraph 4 is issued, travel costs shall be paid in accordance with and subject to the terms of paragraph 2 of Schedule A.
- 6.2 As a rule, air travel subject to the terms of paragraph 4.4, will be authorized in all instances where the official business is within a reasonable distance of an airport. The executive mayor, accounting officer, head of department or head of division responsible in terms of this policy for authorization of air travel, shall have discretion, on a case by case basis, in determining "a reasonable distance".
- 6.3 Payment of expenses with regard to air travel will be restricted to economy class with the carrier quoting the most economical fare on each occasion in order that the official or councilor leaves his/her workplace or home at the latest possible time in order to reach the place of the official business on time, and which will enable him or her to return to his/her home or place of work at the earliest opportunity after completion of the official business.

The effect of the above stipulation shall be that the supply chain management division, for purposes hereof, may accept a less favorable quote form if the time of departure or arrival of the carrier whose quotation is the most favorable, departs to such an extent from the above-mentioned provisions that it will cause excessive inconvenience for the official or councilor.

- 6.4 Payment for garaging of a vehicle at an airport will only be made if it has been authorized in terms of the provisions of paragraph 4.3.
- 6.5 The hiring of a vehicle shall be restricted to class B category vehicles or below unless it proves more cost effective to hire an upgraded group (i.e. the upgraded group if offered free or at a lower charge).

Thus the expenditure of an official or councilor will only be paid provided that it is authorized in accordance with the provisions of paragraph 4.3.

The hiring of a vehicle may only be authorized if alternate transport is not available, too expensive or not practical.

When a motor vehicle is hired, insurance cover must be taken out through the company renting out the vehicle.

- 6.6 Claims for reimbursement of travel costs must be based on the shortest route from the normal working place or the home of the official or councilor to the place of the official obligation.
- 6.7 In the case of air travel the cost of air tickets will be paid directly to the travel agent used by the municipality, unless an arrangement has been made in accordance with the provisions of paragraph 8.
- 6.8 Where one or more persons are transported -

- in a private or subsidized vehicle to carry out official business within or outside the area of jurisdiction of the municipality,

an additional 20 cents per kilometer will be paid to the owner of the relevant vehicle for every additional person up to 3 additional persons traveling in the same vehicle.

7. REIMBURSEMENT OF EXPENSES INCURRED BY AN OFFICIAL OR COUNCILLOR

- 7.1 On completion of an approved official obligation the travel, accommodation and subsistence costs incurred by the official or councilor, and which was authorized in advance, must be claimed by the incumbent on the prescribed claim form, together with the authorization referred to in paragraph 4.5 and submitted to the designated official in the office of the financial director.

Expenditure thus incurred, in compliance with this policy, will be reimbursed to the said official.

8. USE OF OWN OR PRIVATE TRANSPORT INSTEAD OF AUTHORISED AIR TRANSPORT

Where air transport has been authorized and an official or councilor so elects, he shall be allowed to use his/her own vehicle, however travel, accommodation and subsistence costs will be reimbursed on the basis of an economy class air ticket, based on a 7 day advance booking, plus accommodation and subsistence costs calculated in accordance with the timeframe applicable to air travel.

9. AIR TRAVEL AND ACCOMMODATION RESERVATIONS

Air travel and/or accommodation reservations must be made by the designated officials of the Municipality and in this regard the provisions of the council's supply chain management policy should be strictly adhered to.

10. TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS PAYABLE TO PERSONS INVITED FOR JOB INTERVIEWS

10.1 Where persons are invited by the municipality for job interviews, they will -

- not be reimbursed for accommodation or living expenses; and
- be reimbursed for travel expenses calculated at R0,50 **R 1.50** per kilometer x 2, for the distance traveled to the interview. If the accounting officer authorizes air travel for such a person he/she may claim the expense in respect of an air ticket, plus R0.50 per kilometer from his/her home to the nearest airport. In this respect the stipulations of paragraph 6.3 shall apply.

10.2 The accounting officer will make the necessary accommodation arrangements for account of the municipality if, in his opinion, it is considered necessary or reasonable that a person who has been invited for a job interview, must stay overnight.

10.3. Payment of claims for travel and/or an air ticket shall be made -

- to candidates whose application was unsuccessful, as soon as possible after a decision in this regard has been made;
- to the successful candidate, within 5 working days after he/she has notified the municipality in writing of his/her acceptance of appointment.

1. PAYMENT OF ACCOMMODATION AND SUBSISTENCE [PAR 5 OF POLICY]

1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent from his/her usual abode or working place for less than 24 hours –

- (1) When not staying overnight – the actual cost of meals up to a maximum amount of ~~R90,00~~ **120,00** for breakfast, ~~R120,00-150,00~~ for lunch and ~~R150,00~~ **180,00** for dinner per person per occasion, on condition that the actual cost thus claimed, must be verifiable with specified invoices (only payable ~~for the execution of duties outside the area of jurisdiction of the~~ **when representing the Municipality for duties not part of daily operations**). A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu; and
- (2) When staying overnight, the actual cost of accommodation, which may include meals (except where meals are supplied by the host), **subject to the following procurement procedure:**
 - **One quotation for accommodation less than R 2000;**
 - **Three quotations for accommodation above R 2000;**
 - **SCM division evaluates cost effectiveness; and**

~~allocation made in terms of Council's Procurement Policy and the rates table as set it is in in accordance with Circular No 82 of the MFMA. ,in conjunction with the directorate of the division concerned.~~

1.2 Accommodation- and subsistence costs payable when an official or council member is actually and necessarily **spending a night away** ~~absent~~ from his/her usual abode or working place ~~for more than 24 hours~~ (only payable when official obligations has to be fulfilled outside the area of jurisdiction of the municipality) –

~~Accommodation (this means overnight lodging where meals may be included or excluded) – the actual cost of accommodation subject to the allocation made in terms of Council's Procurement Policy and the rates table as set in Circular No 82 of the MFMA, in conjunction with the directorate of the division concerned, provided that the actual cost thus claimed, will only be paid if it can be verified with specified invoices from the service provider.~~

- (1) **When staying overnight, the actual cost of accommodation, which may include meals (except where meals are supplied by the host), are subject to the following procurement procedure:**
 - **One quotation for accommodation less than R 2000;**
 - **Three quotations for accommodation above R 2000;**
 - **SCM division evaluates cost effectiveness; and**

- (2) **Meals (this means only meals refundable by the municipality) – the actual cost of meals is subject to the maximum amounts as set out hereafter, on condition that verifiable and specified invoices from the service provider must be submitted before any claims will be paid out.**

Meals as specified below must ordinarily be taken as near as possible to normal meal hours, subject to approval by the relevant directorate. A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu –

- **breakfast – to a maximum of R 120,00 – when breakfast is excluded from the accommodation tariff;**
- **lunch – to a maximum of R 150,00;**
- **dinner – to a maximum of R 180,00.**

- (3) Subsistence (this means only ~~meals and~~ casual expenses, accommodation excluded) ~~– the actual cost of meals is subject to the maximum amounts as set out hereafter, on condition that verifying, specified invoices from the service provider must be submitted before any claims will be paid out.~~

~~Meals as specified below must ordinarily be taken as near as possible to normal meal hours, subject to approval by the relevant directorate. A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu –~~

- ~~breakfast – to a maximum of R 90,00 – when breakfast is excluded from the accommodation tariff;~~
- ~~lunch – to a maximum of R120,00~~
- ~~dinner – to a maximum of R150,00~~

~~In addition to before mentioned costs of meals~~ An official or council member will also be entitled to an allowance to cover casual expenses. The amount of the allowance will be determine by the Receiver of Revenue from time to time and is applicable for **spending a each – night away from his/her usual place of residence completed period of 24 hours of absence or** and for **each following daily periods thereafter, of less than 24 hours¹.** No verification for casual expenses needs to be submitted. [For the purposes hereof, casual expenses are expenditures with regards to tips, refreshments and private phone calls].

- (3) Where a seminar or congress is held in a specific hotel/centre, etc. and accommodation at such hotel/centre forms an integrated part of the monetary package payable, the Procurement ~~Policy~~ **procedure shall not be applicable for the accommodation as it will be deemed to form part of the congress or seminar's procurement.** Where the organizers of such congress, seminar, etc.

offers various hotel or guest house options, the Procurement Unit shall endeavor to procure the cheapest hotel/guest house situated nearest to the centre where the conference, seminar, training, etc. will be taking place, provided that the facility shall not be worse than a 3 or 4 star grading, whichever is the cheapest. Selection of accommodation shall, however, always take place in conjunction with the directorate of the delegating division.

2. PAYMENT OF TRAVEL EXPENSES [PAR. 6 OF POLICY]

2.1 For the execution of official obligations within the area of jurisdiction of the municipality –

2.1.1 Officials:

- (1) Use of private vehicle –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department van Transport for **fixed and running costs.**

- (2) Use of vehicle acquired in accordance to the essential user scheme –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining Council for **fixed and running costs.**

- (3) Use of vehicle acquired in accordance to the benefit vehicle scheme –

by officials for use outside the area of jurisdiction of the former municipality in whose service they were until 5 December 2000, but within the area of jurisdiction of Swartland Municipality, a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the AA tables for **running costs.** excluding those bearing a position with regards to whom on the date of commencement of this policy, by way of agreement, another tariff applies and whereby such an arrangement is regarded as an arrangement personal to the bearer of the position.

- (4) Processing of late claims –

Claim forms received late (After traveling, the 10th of the following month) for authorization will be processed at the lowest month's tariff from traveling date till processing date according to the vehicle's engine capacity.

2.1.2 Council Members:

(1) Use of own vehicle –

no remuneration payable save for the fixed allowance as from time to time determined by the council of the municipality in accordance with the conditions determined from time to time by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act no. 20 of 1998).

(2) Processing of late claims –

Claim forms received late (After traveling, the 10th of the following month) for authorization will be processed at the lowest month's tariff from traveling date till processing date according to the vehicle's engine capacity.

2.2 For the execution of official obligations outside the area of jurisdiction of the municipality –

2.2.1 Officials

(1) Use of private vehicle –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Department of Transport for fixed and running costs.

(2) Use of vehicle acquired in accordance to the essential user scheme –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining council for running costs.

(3) Use of vehicle acquired in accordance to the benefit vehicle scheme –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the AA tables for running costs.

2.2.2 Council Members:

For the use of the member's own vehicle –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport for fixed and running costs.

2.2.3 In addition to the travel expenses as indicated in 2.1 en 2.2 the following expenses incurred by an official or council member will be reimbursed to him/her, on the condition that verification is submitted, whether a private vehicle or a authorized vehicle is used –

- rent of a car garage at the place of accommodation (only when staying overnight);
- parking costs;
- tollage; and

- stabling of vehicles at airport (only if authorized in advance).

2.2.4 Officials and council members (authorized air transport)

Where air transport is authorized for the execution of official obligations outside the area of jurisdiction of the municipality by an official or council member, transport expenses and additional costs is paid as follows –

(1) Where an official or council member uses his/her private or authorized vehicle to travel to and from the Cape Town International Airport –

- km covered between the normal working place or concerned official/member's abode and the airport x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2; and
- km covered between the airport and the normal working place or the concerned official or member's abode x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2.

[where stabling of such a vehicle on the airport is authorized beforehand, the distance as indicated above is not multiplied and such a member or official or council member will only be reimbursed for to and from the airport once and where an official vehicle is used to transport an official or council member between the municipal offices and the airport, no travel expenses are payable];

(2) the stabling costs of a vehicle if it is authorized beforehand;

(3) the cost of an economic class return ticket with consideration of the stipulations of paragraph 6.3 of the policy document;

(4) taxi fees, bus fees and/or public transport costs and/or rent of a vehicle (if the rent of a vehicle is authorized beforehand) for traveling between the airport to the final destination and the place of accommodation and place where official obligations are executed;

(5) parking costs when a rented vehicle is used; and

(6) tollage

on the condition that the costs mentioned in (2), (4), (5) and (6) above, will only be paid on the submission of verification thereof.